eastland

EASTLAND EQUITY BHD. 200001013359 (515965-A)

ANNUAL REPORT

2021

CONTENTS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First ("**21st**") Annual General Meeting ("**AGM**") of the Company to be held and conducted on a fully virtual basis through an online meeting platform and using the Remote Participation and Electronic Voting ("**RPV**") facilities for the purpose of considering and if thought fit, passing the resolutions set out in this notice:

Meeting Date	:	Tuesday, 30 November 2021
Time	:	10:00 a.m.
Main Venue and Meeting Platform	:	https://meeting.boardroomlimited.my/ (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	(i) Text messaging facilities provided under the online meeting platform during the 21st AGM; or (ii) Submit questions prior to the 21st AGM by emailing to eastlandagm2021@eeb.com.my no later than Sunday, 28 November 2021 at 10:00 a.m.

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial period ended 30 June 2021 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note 1 of the Explanatory Notes)**

2. To re-elect Mr Lee Chee Kiang as Director who is retiring under Clause 96 of the Constitution of the Company. **Ordinary Resolution 1**

3. To re-elect Encik Mohamed Akwal Bin Sultan Mohamad as Director who is retiring under Clause 96 of the Constitution of the Company. **Ordinary Resolution 2**

4. To re-elect Mr Ong Lu Yuan as Director who is retiring under Clause 103 of the Constitution of the Company. **Ordinary Resolution 3**

5. To re-elect Dato' Lee Wai Mun as Director who is retiring under Clause 103 of the Constitution of the Company. **Ordinary Resolution 4**

6. To approve the Directors' Fees and Benefits Payable to the Directors of not exceeding RM500,000.00 for the period from the date of the 21st AGM until the date of the next AGM, to be paid monthly in arrears. **Ordinary Resolution 5**

7. To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 6**

As Special Business

To consider and, if thought fit, to pass the following resolution:-

8. **AUTHORITY FOR THE DIRECTORS TO ALLOT AND ISSUE SHARES UNDER SECTION 76 OF THE COMPANIES ACT 2016 ("THE ACT")**

"THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue new shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions to such persons and for such purposes as the Directors may in their absolute discretion, deem fit provided that the aggregate number of new shares to be issued does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being, subject always to the approval of all the relevant regulatory bodies being obtained for such allotment and issuance." **Ordinary Resolution 7 (Please refer to Note 2 of the Explanatory Notes)**

NOTICE OF ANNUAL GENERAL MEETING
cont'd

BY ORDER OF THE BOARD

TAI YIT CHAN
(SSM PC No. 202008001023)
(MAICSA 7009143)

WONG SIEW YEEN
(SSM PC No. 202008001471)
(MAICSA 7018749)

Secretaries

Selangor Darul Ehsan
Date: 29 October 2021

Notes:

Virtual AGM

1. The members are strongly advised to participate and vote remotely at this fully virtual AGM through an online meeting platform and using the facilities provided by the Company's Share Registrar, namely Boardroom Share Registrars Sdn Bhd. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the AGM in order to register, participate and vote remotely**.

2. Pursuant to the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and corporate representatives ("**Participants**") shall communicate via real time submission of typed text through a text box using the RPV facilities during the live streaming of the AGM as the primary mode of communication.

Members entitled to Attend the AGM

3. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 19 November 2021 and only Members whose names appear on such Record of Depositors shall be entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities.

Appointment of Proxy and Registration for Attendance

4. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities shall have the same rights as the members to speak at the meeting.

5. Where a member of the Company is an exempt authorised nominee who holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

7. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

8. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or email to BSR.Helpdesk@boardroomlimited.com not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.

9. Should you wish to personally participate at the AGM remotely, please register electronically via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com by the registration cut-off date and time. Please refer to the Administrative Guide of the AGM for further details. The Administrative Guide for the AGM is available for download at http://www.eeb.com.my/.

<u>**Others**</u>

10. All the resolutions set out in the Notice of the AGM will be put to vote by way of poll pursuant to Clause 78 of the Company's Constitution.

11. Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from shareholders of the Company and hence, Agenda 1 is not put forward for voting.

12. The Board wishes to highlight that the AGM may be re-scheduled and/or adjourned in subject to the development of the Covid-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all Participants including invitees shall be kept informed of any unexpected changes.

EXPLANATORY NOTE:

1. Item 1 of the Agenda

The agenda item no. 1 is meant for discussion only as the provision of Section 340(1) of the Act does not require a formal approval of shareholders of the Company. Hence, agenda item no. 1 is **not put forward for voting**.

2. Item 8 of the Agenda

The Company had, during its Twentieth AGM held on 3 September 2020, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, a total of 32,428,157 ordinary shares, representing 10% of its total number of issued shares of the Company were issued and allotted via the Private Placement exercise that was completed on 15 June 2021.

The proposed Ordinary Resolution 7, if passed, will empower the Directors from the conclusion of this AGM, to allot and issue up to a maximum of 10% of the total number of issued share (excluding treasury shares, if any) of the Company at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

This authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares for purpose of funding investment project(s), working capital and/or acquisition. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING
cont'd

Personal data privacy:

*By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

FIVE-YEAR FINANCIAL HIGHLIGHTS

		18 MONTHS ENDED 30 JUNE	FINANCIAL YEAR ENDED 31 DECEMBER			
		2021	**2019**	**2018**	**2017**	**2016**
Revenue	RM	**20,899,378**	18,074,088	21,304,532	17,741,751	24,155,672
EBITDA	RM	**(96,661,299)**	(4,444,439)	(1,726,051)	(2,143,018)	1,377,196
(Loss)/Profit before tax	RM	**(107,331,696)**	(13,333,287)	(7,975,905)	(8,220,099)	(4,591,109)
(Loss)/Profit from continuing operations	RM	**(100,417,954)**	(12,789,732)	(7,159,104)	(7,944,257)	(6,118,211)
Net (Loss)/Profit attributable to equity holders	RM	**(100,417,954)**	(12,789,732)	(7,159,104)	(7,944,257)	(6,118,211)
Total Assets	RM	**171,719,145**	273,029,364	280,498,925	279,928,760	285,574,535
Total Liabilities	RM	**100,466,331**	104,480,473	104,520,202	95,156,151	92,794,657
Total Net Assets/Total Equity	RM	**71,252,814**	168,548,891	175,978,723	184,772,609	192,779,878
Return on Equity (ROE)	%	**(140.93)**	(7.59)	(4.07)	(4.30)	(3.17)
Return on Total Assets (ROTA)	%	**(58.48)**	(4.68)	(2.55)	(2.84)	(2.14)
Gearing Ratio	Times	**1.41**	0.62	0.59	0.51	0.48
Interest Coverage Ratio	Times	**(20.75)**	(1.92)	(3.02)	(3.18)	(1.44)
Earnings per share (EPS)	SEN	**(30.88)**	(4.64)	(2.91)	(3.23)	(2.49)
Net Tangible Asset per share	RM	**0.22**	0.61	0.72	0.75	0.78
Price Earning (PE) Ratio	Times	**(0.40)**	(1.72)	(3.26)	(4.17)	(7.63)
Share Price as at the Financial period/year ended	RM	**0.13**	0.08	0.10	0.14	0.19

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mohamed Akwal Bin Sultan Mohamad
(Re-designated as Chairman on 17 September 2020)
(Chairman and Independent Non-Executive Director)

Lee Chee Kiang
(Managing Director)

Dato' Lee Wai Mun, D.I.M.P., J.P.
(Appointed on 9 August 2021)
(Executive Director)

Tan Chin Hong
(Executive Director)

Phang Kiew Lim
(Executive Director)

Masleena Binti Zaid
(Independent Non-Executive Director)

Ong Lu Yuan
(Appointed on 17 September 2020)
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Ong Lu Yuan *(Chairman)*
(Appointed on 17 September 2020)
Mohamed Akwal Bin Sultan Mohamad
Masleena Binti Zaid

REMUNERATION COMMITTEE

Mohamed Akwal Bin Sultan Mohamad *(Chairman)*
Masleena Binti Zaid
Ong Lu Yuan
(Appointed on 17 September 2020)

NOMINATING COMMITTEE

Masleena Binti Zaid
(Re-designated as Chairman on 20 February 2020)
(Chairman)
Mohamed Akwal Bin Sultan Mohamad
Ong Lu Yuan
(Appointed on 17 September 2020)

KEY SENIOR MANAGEMENT

Eric Wee Ei-Mas *(Project Director)*
San Tuck Hoe *(Financial Controller)*

COMPANY SECRETARIES

Tai Yit Chan
(SSM PC No. 202008001023)
(MAICSA 7009143)

Wong Siew Yeen
(SSM PC No. 202008001471)
(MAICSA 7018749)

PRINCIPAL PLACE OF BUSINESS

Suite 8-4, 4th Floor, Medan Makmur,
Jalan 9/23A, Off Jalan Usahawan
53300 Setapak, Kuala Lumpur
Tel : +603-4149 8200
Fax : +603-4142 9788

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : +603-7890 4800
Fax : +603-7890 4650

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya, Selangor
Tel : +603-7890 4700
Fax : +603-7890 4670

AUDITORS

Baker Tilly Monteiro Heng PLT
Baker Tilly Tower
Level 10, Tower 1
Avenue 5, Bangsar South City
59200 Kuala Lumpur
Tel : +603-2297 1000
Fax : +603-2282 9980

PRINCIPAL BANKER

Bank Islam Malaysia Berhad
Menara Bank Islam
No. 22, Jalan Perak
50450 Kuala Lumpur
Tel : +603 2088 8000
Fax : +603-2088 8028

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
- Main Market
(Consumer Products & Services)
Stock Name : EASTLND
Stock Code : 2097

PROFILE OF THE BOARD OF DIRECTORS

MOHAMED AKWAL BIN SULTAN MOHAMAD
Board Chairman, Independent Non-Executive Director,
Malaysian, Aged 67, Male

Mohamed Akwal Bin Sultan Mohamad was retired at the Company 15th AGM held on 15 June 2015. He was subsequent re-appointed as an Independent Non-Executive Director of the Company on 20 August 2015.

Akwal has wide experience in corporate banking and debt recovery. He has extensive experience in SME lending, debt management and personal financial literacy, providing advisory services to corporates, SMEs and individuals.

He started his career with Citibank and has over thirty (30) years of experience in the financial sector with significant experience in debt resolution, have served the National Debt Management Agency (Danaharta, set up by the Government during the 1997 financial crisis) as its Deputy General Manager. Seconded to the Development Finance and Enterprise Department of the Central Bank in 2003, he assisted in setting up the SME Special Unit and was instrumental in the establishment of Small Debt Resolution Scheme.

He was formerly the founding Chief Executive Officer of the Credit Counselling and Debt Management Agency (AKPK), a company owned by the Central Bank of Malaysia.

He was appointed as the Member of Audit and Risk Management Committee on 20 August 2015. Subsequently, he was appointed as Chairman of Remuneration Committee and Member of Nominating Committee on 20 February 2019. He was re-designated as Board Chairman on 17 September 2020.

Particulars of his other directorship in public company:

- Harn Len Corporation Berhad

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanctions or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended all ten (10) Board meetings held during the financial period ended 30 June 2021.

LEE CHEE KIANG
Managing Director,
Malaysian, Aged 47, Male

Lee Chee Kiang was appointed as Chief Executive Officer (CEO) of the Company on 23 January 2018 and re-designated as Managing Director on 1 July 2018.

He has completed the Real Estate CEO's Advance Course with Tshinghua University in Beijing and has more than twenty (20) years of experience in the real estate industry.

He started from a very humble beginning as a Marketing Executive overseeing project worth RM171 million. Within the next ten (10) years timeframe he has successfully completed development worth RM215 million.

In 2007, with the vision to change the Skyline of Kota Kinabalu, he has set-up his own company which has completed project worth approximately RM340 million till to date. He is currently overseeing various projects worth RM640 million and will be managing upcoming project in the pipeline which is estimated to be worth RM4.7 billion.

Particulars of his other directorship in public company:

- HS Global Development Berhad

He has a direct interest of 25,236,200 ordinary shares in the Company. He does not have any conflict of the interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for nay offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended eight (8) out of ten (10) Board Meetings held during the financial period ended 30 June 2021.

PROFILE OF THE BOARD OF DIRECTORS
cont'd

DATO' LEE WAI MUN, D.I.M.P., J.P.
Executive Director,
Malaysian, Aged 48, Male

Dato' Lee Wai Mun, D.I.M.P., J.P. ("Dato' Lee") was appointed as an Executive Director of the Company on 9 August 2021.

Dato' Lee has been the Chief Executive Officer of Edubest Group of Companies since November 2005. He is also a Non-Independent Non-Executive Director of YGL Convergence Berhad, appointed to the Board on 20 April 2018. He is also a Director and Chief Executive Officer of YGL iBay International Group of Companies. Dato' Lee has not less than twenty-nine (29) years experience as a businessman with diverse expertise in mining, construction, property development, trading, plantation and logistic.

Dato' Lee is instrumental in marketing the Malaysian iron ores to China-based steel manufacturers. Dato' Lee is an active member of the Pahang Iron Ore Association and the Malaysian Chamber of Mines.

Dato' Lee was awarded the title of Dato' by Sultan of Pahang in year 2012. In year 2017, he was appointed as Jaksa Pendamai (J.P.) by the Sultan of Kelantan.

Dato' Lee has indirect interest of 14,044,000 ordinary shares in the Company held by his wholly-owned Company, Leading Ventures Sdn Bhd.

Particular of his other directorship in public company:

- YGL Convergence Berhad

Dato' Lee does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder (save for the above). Other than traffic offences, Dato' Lee has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

Dato' Lee did not attend any Board meetings held in the financial period ended 30 June 2021 since he was appointed to the Board as Executive Director on 9 August 2021.

TAN CHIN HONG
Executive Director,
Malaysian, Aged 45, Male

Tan Chin Hong was appointed as an Executive Director of the Company on 17 July 2013.

He holds a Bachelor of Social Science, Major in Economics and Accounting, The Queen's University of Belfast. He joined Eastland Equity Bhd in 2004. Throughout his tenure with the Group, he is primarily based in the Finance Department. He is a meticulous and strong team member who is proficient in a wide range of accounting functions and operations. He readily adapts to new professional settings, acquires and applies new knowledge toward supporting Company goals. Being versatile and possessing multi-tasking skills, he has also been assigned to various duties involving internal audit, administrative as well as operative jobs in various subsidiaries within the Group during the tenure of his service.

He has an indirect interest of 17,670,000 ordinary shares and 488,700 ordinary shares in the Company via Prestige Pavilion Sdn Bhd and Danhwa Holding Sdn Bhd respectively. He also has an indirect interest of 91,228 ordinary shares via his sister, Adeline Tan Wan Chen and 84,000 ordinary shares via his brother, Tan Chin Hao by virtue of section 8 of the Companies Act 2016.

He does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder (save for the above). Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended all ten (10) Board meetings held during the financial period ended 30 June 2021.

PROFILE OF THE BOARD OF DIRECTORS
cont'd

PHANG KIEW LIM ("DEREK PHANG")
Executive Director,
Malaysian, Aged 39, Male

Derek Phang was appointed as Executive Director of the Company on 20 February 2020.

Derek Phang holds a Bachelor Degree in Commence (major in Accounting and Finance) from University of Sydney, Australia. He was admitted as a member of Certified Practising Accountant ("CPA") Australia and the Malaysian Institute of Accountants, and is registered as an ASEAN Chartered Professional Accountant. He was also a holder of a Capital Markets Services Representative's License advising on corporate finance issued by the Securities Commission of Malaysia.

In his sixteen (16) years of working experience, Derek Phang has gained extensive experience in the fields of corporate finance and business advisory pertaining to corporate transactions such as cross-border mergers and acquisitions, initial public offerings, capital raising as well as financing and restructuring. Derek Phang has travelled extensively to the People's Republic of China, Thailand, Indonesia, Cambodia, Laos and Hong Kong where he was exposed to the peculiar cultures and business practices in those countries.

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended all nine (9) Board meetings held during the financial period ended 30 June 2021 since his appointment as Executive Director on 20 February 2020.

MASLEENA BINTI ZAID
Independent Non-Executive Director,
Malaysian, Aged 46, Female

Masleena Binti Zaid was appointed as an Independent Non-Executive Director of the Company on 15 July 2019.

She is an L.L.B. (Hons) graduate from Sheffield Hallam University, United Kingdom. She was admitted to the High Court of Malaya as an advocate and solicitor in 2001. She is also a registered Trade Mark Agent. Her predominantly areas of practise are corporate, commercial and company law. Her portfolio includes providing advice to corporate clients which matters varies from liaising with relevant authorities for clients, dealing with human management issues, conveyancing matters and preparing agreements and on case-to-case basis.

Prior to founding Masleena, Yee & Partners, Masleena was with the Securities Commission of Malaysia as Senior Prosecuting Officer and subsequently with the Companies Commission of Malaysia (SSM) as Head of Interest Scheme Section and acting Head for the Insolvency Section.

She was appointed as member of Audit and Risk Committee, Remuneration Committee and Nominating Committee on 15 July 2019. She was re-designated as Chairman of Nominating Committee on 20 February 2020.

Particulars of her other directorship in public company:

- Sinmah Capital Berhad

She does not have any interest (direct or indirect) in the securities of the Company. She does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, she has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

She attended all ten (10) Board meetings held during the financial period ended 30 June 2021.

PROFILE OF THE BOARD OF DIRECTORS
cont'd

ONG LU YUAN
Independent Non-Executive Director,
Malaysian, Aged 45, male

Ong Lu Yuan was appointed as an Independent Non-Executive Director of the Company on 17 September 2020.

He graduated with BSc in Accountancy from University of East Anglia, Norwich in 1996 and was admitted as an Associate member of the ICAEW on January 2000. He is now a fellow member and was recently accredited with the Business Finance Professional qualification.

He joined Sunway TES lecture team in 2004 and specializes in the subjects of Audit Assurance, Corporate Reporting (formerly known as Business Reporting) as well as Case Study since 2018. He was also involved in both the ACCA fundamental and professional levels with F8 (Audit & Assurance), P1 (Corporate Governance, Risks and Ethics) and P7 (Advances Audit Assurance) together with MICPA-ICANZ Audit Assurance paper.

His passion for teaching and mentoring has produced numerous groups achieving 100% percent pass rates together and ICAEW World Prize Winners for Audit Assurance paper (Watts Prize) on numerous occasions. In addition, he has produced a MICPA-ICANZ World Price Winner for Audit Assurance and another ACCA Malaysian Prize Winner for the Advance Audit Assurance Paper.

He is concurrently running his own business which is predominantly involved in the property development industry based in Melaka and has special interest in building architectures and interior designs. He has to date completed approximately 1,000 units of medium and medium-high cost residential and commercial properties.

He was appointed as Chairman of Audit and Risk Committee, and Member of Remuneration Committee and Nominating Committee respectively on 17 September 2020.

He does not have any interest (direct or indirect) in the securities of the Company. He does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanctions or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended all six (6) Board meetings held during the financial period ended 30 June 2021 since his appointment as Independent Non-Executive Director on 17 September 2020.

PROFILE OF KEY SENIOR MANAGEMENT

ERIC WEE EI-MAS
Project Director,
Malaysian, Aged 42, Male

Eric Wee joined the Company as Project Manager on 1 July 2015 and was later promoted to Project Director on 8 July 2019. He was re-designated as an Executive Director of the Company on 20 August 2019.

He resigned as Executive Director of the Company on 9 August 2021 and continued with his portfolio as Project Director of the Company to focus on project development business of the subsidiaries.

He trained for his Undergraduate studies in Bachelor of Engineering (Civil & Structure) from the University of Melbourne, Australia and has been registered with the Board of Engineers since 2011.

In his seventeen (17) years of working experience, Eric has worked in the real estate, property development and construction industries in Malaysia, UAE, Bahrain, Singapore, India and the Philippines.

In his pursuit of continual professional development, Eric has earned a Project Management Professional (PMP) Certification from the Project Management Institute of America. He has also completed courses for Negotiation, Marketing and Contracts Law with Yale, The Wharton School and Harvard respectively.

He has a direct interest of 41,000 ordinary shares in the Company. He does not have any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder. Other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

He attended all ten (10) Board meetings held during the financial period ended 30 June 2021.

SAN TUCK HOE
Financial Controller,
Malaysian, Aged 52, Male

San Tuck Hoe was appointed as a Financial Controller of the Company on 1 January 2014.

He was trained under the Malaysian Institute of Certified Public Accountants ("MICPA") professional accountant articleship programme with a Big Four accounting firm, obtained his MICPA professional qualification in 1998 and registered with the Malaysian Institute of Accountants in 2003.

In his more than twenty (20) years of working experience, Tuck Hoe is exposed to various industries during his career development with a Big Four accounting firm. Prior to joining the Company, he was a part of the finance and accounting team of one of the world's leading producer of high purity stevia ingredients which has offices, plants and other facilities in Asia Pacific, North America, South America, Europe and Africa regions.

He does not have:

1) any directorship in public companies and listed issuers;
2) any interest (direct or indirect) in the securities of the Company;
3) any conflict of interest with the Company or any family relationship with any director and/or substantial shareholder; and
4) other than traffic offences, he has not been convicted for any offences within the past five (5) years, nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial period ended 30 June 2021.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATING ACTIVITIES IN FINANCIAL PERIOD 2021

The business activity of Eastland Equity Bhd. (“Company” or “EEB”) is that of investment holding, while EEB’s subsidiaries are engaged in the businesses of hospitality, investment properties and property development (EEB and EEB’s subsidiaries are hereinafter collectively referred to as the Group).

The Grand Renai Hotel (“The Hotel”) and Kota Sri Mutiara Shopping Complex (“KSM”) in Kota Bharu are the Group’s main properties. During the financial period under review, the Group has one on-going property development project i.e. Bandar Tasek Raja commercial property development project (“BTR Project”) in Pasir Mas, Kelantan, which is a joint venture project with the local council, Majlis Daerah Pasir Mas.

The Group had recorded losses for 5 consecutive financial years/period. The Group has been exploring new business opportunities to improve its earnings. The management of the Group (“Management”) had discussions with several parties on various business proposals, which include property development opportunities in other more vibrant states as geographical diversification measures, to reposition the Group for better product mix. The Group had parallelly undertaken a 10% private placement and a 20% share issuance exercises respectively as interim measures to address:
a) immediate working capital requirements;
b) scheduled repayment of bank borrowings; and
c) funding for property development activities.

The former which raised a total of RM4.0 million was completed during the financial period whereas the latter which raised a total of RM6.8 million was completed after the financial period.

Hospitality

During the financial period under review, the challenges of Covid-19 pandemic and the restrictions from Movement Control Order (“MCO”) had significantly affected The Hotel business. The Hotel achieved an average occupancy rate of 28.7% (2019: 38.6%) and coupled with the lower average room rate for the financial period under review as compared to previous year, this resulted in lower annualised sales revenue and profit. In addition, the Group has adjusted the book value of its hotel to RM69.0 million as appraised by the valuer during the financial period ended 30 June 2021, by recognising an impairment loss of RM27.3 million. The Management had responded by hiring a new general manager on 11 March 2021 to take charge of the hotel operations in anticipation of improving the financial performance of the Hotel amidst this challenging period.

Investment Properties

KSM has similarly been affected by the MCO. The mall’s average occupancy rate dropped from the previous year’s 93% to 81% in the financial period under review. In view of the Covid-19 pandemic, the Group had resolved to measures such as reduction in rental to support and retain key tenants, as the Group believes that such key tenants will be able to contribute positively to the segment’s financials when the situation improves. In addition, the Group is also actively looking out for new tenants to fill the vacancies by offering attractive rental rates for the initial period.

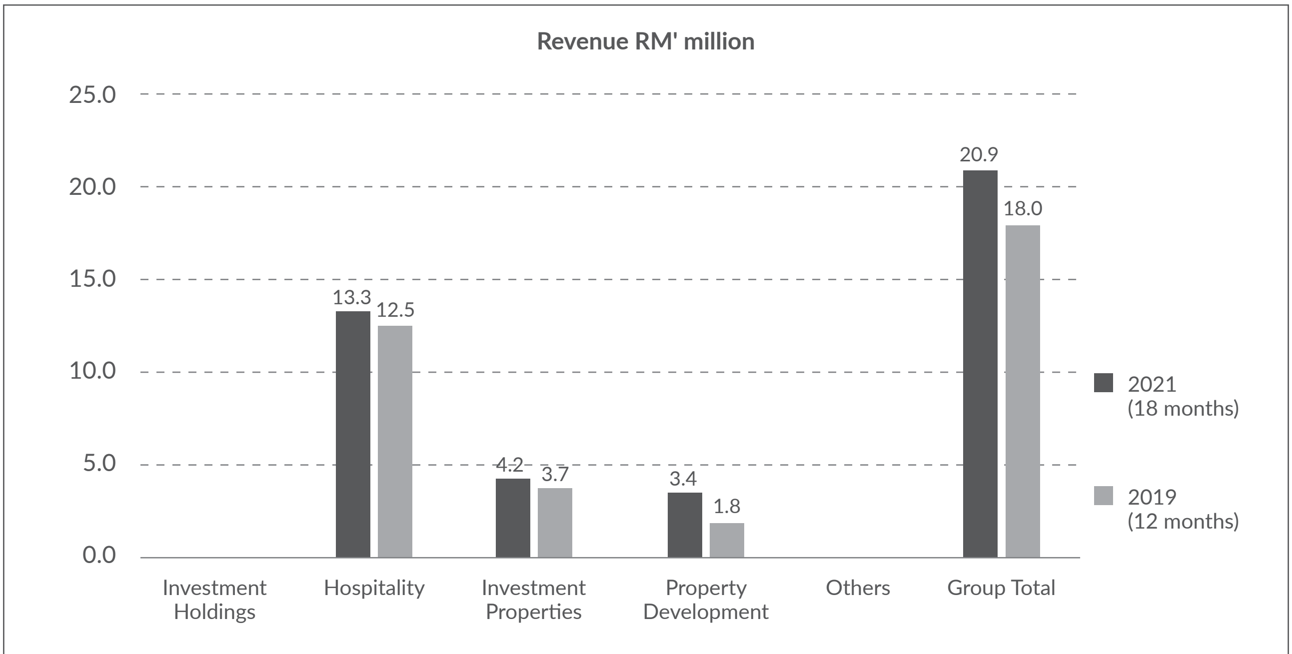
Property Development

The phase 2 of BTR project is the Group’s only ongoing property development project. There are balance of 154 shoplots to be built under the project and out of the 154 units, only 30 units have commenced construction while the remaining 124 units are vacant land. During the financial period under review, in view of the Covid-19 pandemic and banks’ cautious stance on providing end-financing for certain property sectors and to manage the Group’s cash flow, the Group had decided to put on hold further development of its phase 2 BTR project. Save for the intention of completing the development of 14 units of shop lots (out of 30 units of shop lots), and handing over the sold units to the buyers, the Management will consider, amongst others, the property market sentiment and the financial position of the Group when deciding the timing to resume the development of the remaining 16 units of shop lots. The development of the 14 units of shop lots is expected to be completed by the fourth quarter of 2022, whilst the balance development of the 16 units will be put on hold pending recovery of the property market condition. The development of the 16 units will be funded via internally generated funds, bank borrowings and/or debt/equity fundraising. The Management has also decided not to develop the remaining 124 pieces of vacant lands after considering the Group’s effort to develop and sell the project for the past 11 years. The Group is currently in the midst of discussion with several parties for the disposal of the vacant lands and accordingly, had written down its inventory for an amount of RM43.9 million during the financial period under review. Notwithstanding this, the Management is continuously identifying new opportunities for development projects to provide the Group with new income streams.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

FINANCIAL PERFORMANCE

Revenue



The Group's revenue for the financial period under review was RM20.9 million as compared to RM18.0 million in the preceding year. The proportionally lower annualised revenue for the current financial period was mainly attributed to the lower revenue from hospitality and investment properties. The performance review of the three key segments of the Group were as follows:

Hospitality

During the financial period under review, revenue from The Hotel was RM13.3 million as compared to RM12.5 million in the preceding year. The proportionally lower annualised revenue in 2021 was mainly due to the drop in occupancy and room rate as a result of the Covid-19 pandemic and the soft market condition during the Movement Control Order.

Investment Properties

The proportionally lower annualised revenue in 2021 from Investment Properties was mainly due to the reduction in floor space from curtailed operation of tenants, loss of tenants and rental discount offered to tenants most affected by the pandemic.

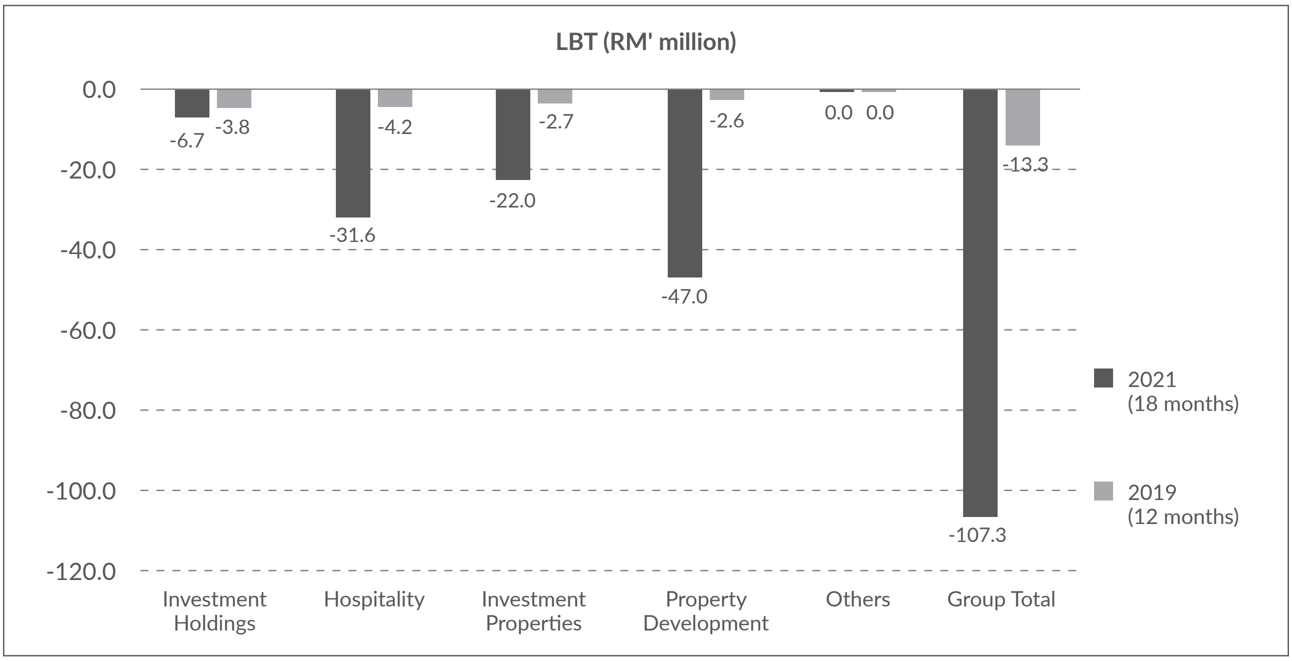
Property Development

The property development segment recorded higher revenue during the financial period under review mainly due to more units of shop lot sold as compared to the preceding year.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

FINANCIAL PERFORMANCE *(cont'd)*

Profitability



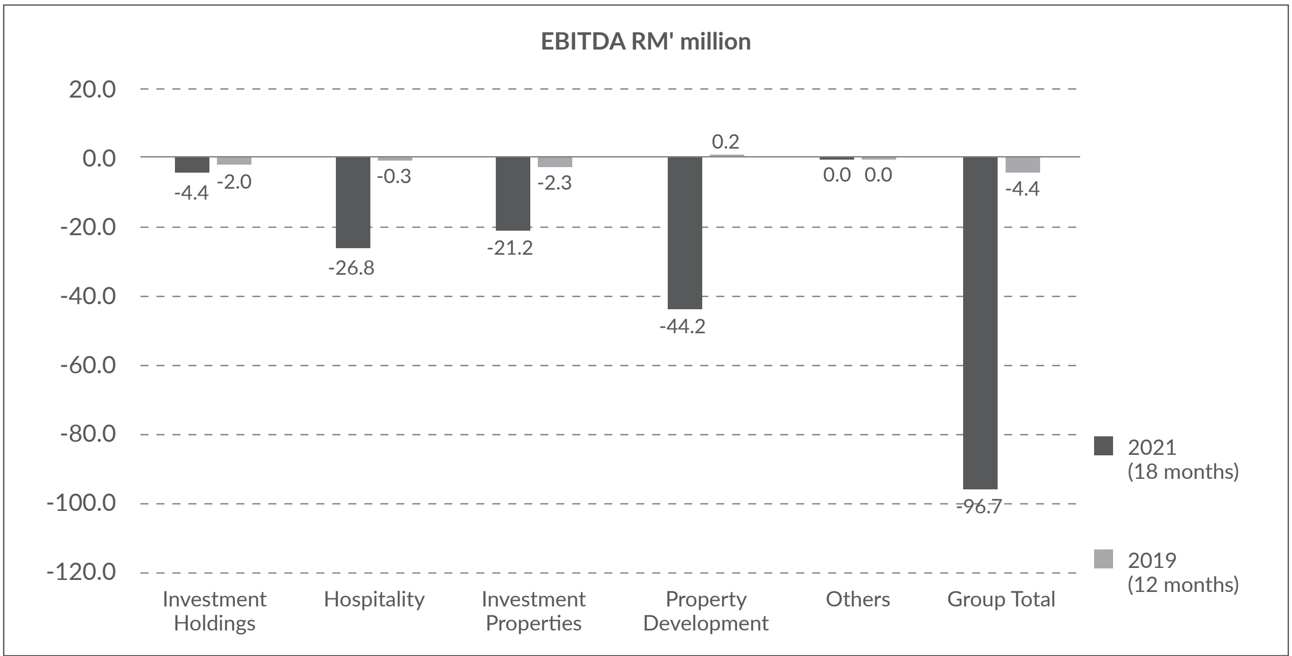
The Group registered a loss before tax of RM107.3 million in 2021 (18 months) as compared to a loss before tax of RM13.3 million (12 months) in the preceding year. The significant increase in loss before tax was mainly due to the following:

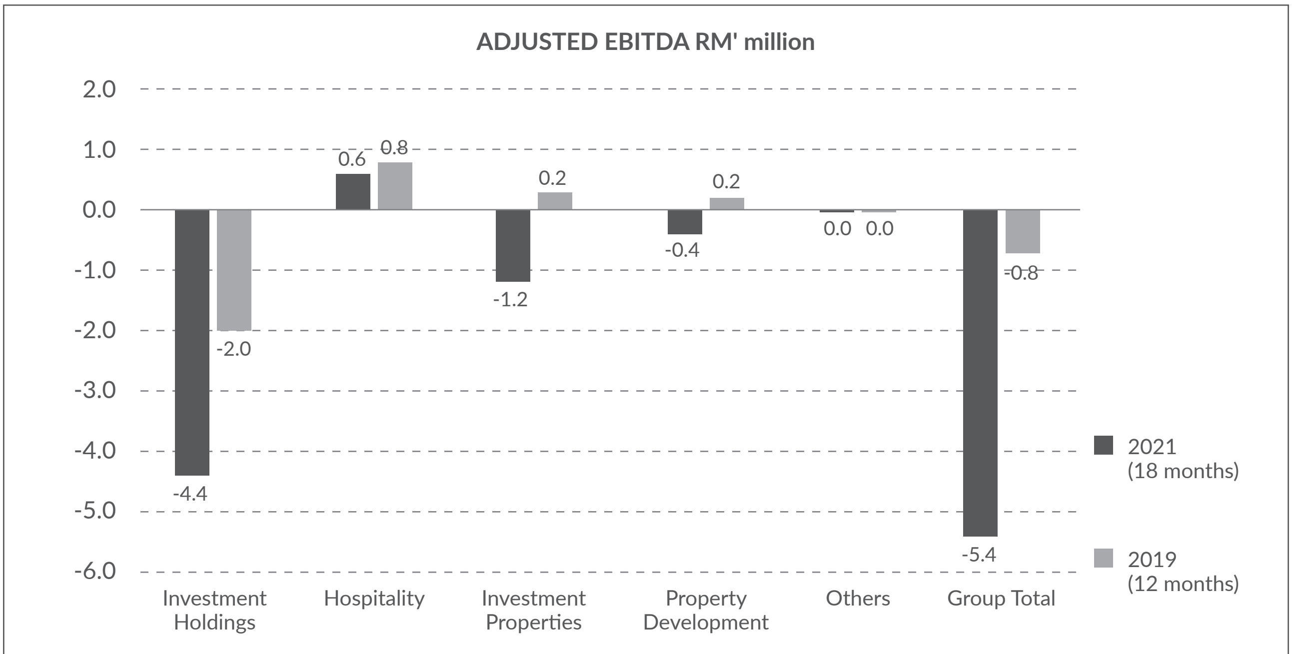
(i) RM27.3 million impairment loss in the hotel building in property, plant and equipment, and RM20.0 million fair value loss in the investment properties pursuant to a valuation performed by CH Williams Talhar & Wong Sdn Bhd on 8 August 2021; and
(ii) RM43.9 million write down in property development costs in inventories to net realisable value following the company's decision to put up the remaining land in BTR project for sale instead of developing it.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

FINANCIAL PERFORMANCE *(cont'd)*

Profitability *(cont'd)*



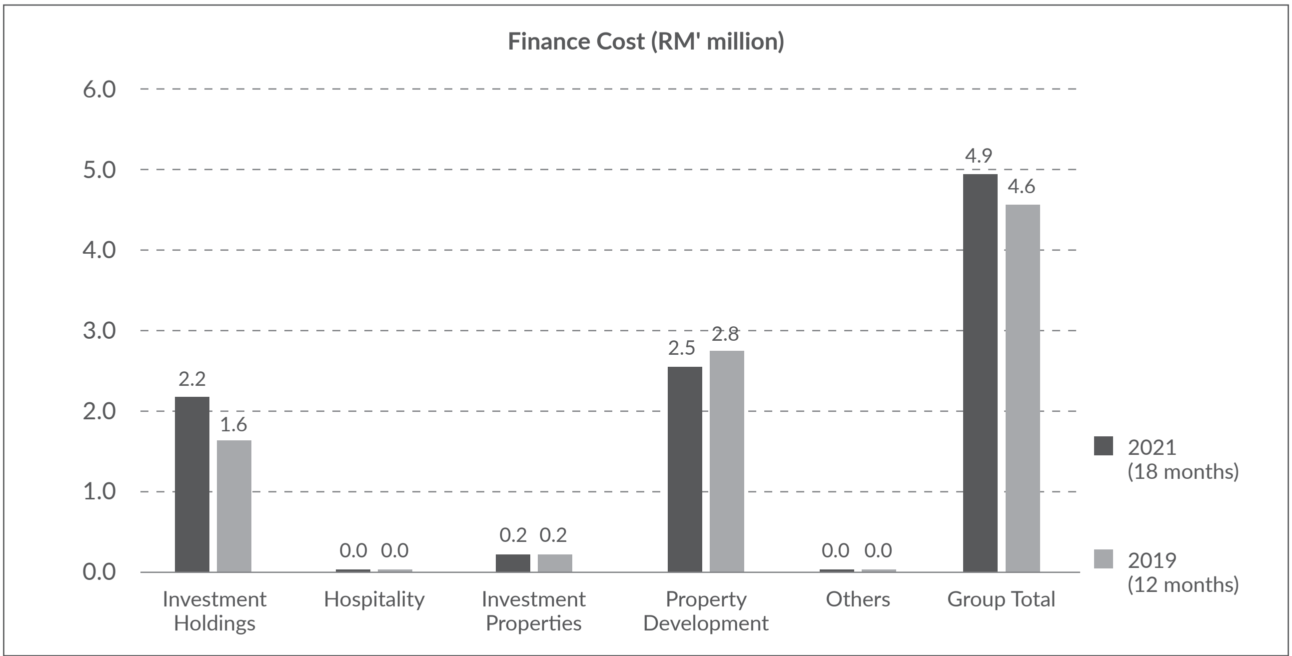


Adjusted EBITDA is EBITDA excluding : (i) impairment of property, plant & equipment; (ii) fair value loss of investment properties and (iii) the write down in property development costs in inventories to net realisable value.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

FINANCIAL PERFORMANCE *(cont'd)*

Finance cost



Finance cost relates to the Islamic term loans and overdraft facilities utilised for project development and working capital purposes.

ASSET CHANGES

Property, Plant and Equipment

Property, plant and equipment reduced from RM104.8 miilion in 2019 to RM70.8 million in 2021 mainly due to impairment loss in the hotel building and depreciation charges on the hotel and other fittings and equipment during the financial period.

Investment Properties

The decrease in investment properties was attributed to the fair value loss of RM20.0 million from the valuation.

Inventories

Inventories decreased from RM74.6 million in 2019 to RM27.6 million in 2021 mainly due to write down in property development costs in inventories in relation to the 124 pieces of BTR vacant land and some sales of shoplots in BTR during the financial period under review.

Trade and Other Receivables

Trade and other receivables increased twice mainly due to more hotel services rendered to corporate clients within the last quarter before year end, the billing of the BTR project to a customer towards year end, relaxed credit terms to complex tenants most affected by the pandemic and prepayments for capital expenditure in hotel increased receivables turnover period from 10 days in 2019 to 38 days in 2021.

MANAGEMENT DISCUSSION AND ANALYSIS
cont'd

ASSET CHANGES *(cont'd)*

Liquidity

The cash and bank balance as at 30 June 2021 was 34% lower than the preceding year as there was only 1 private placement completed during the financial period under review as compared to 2 completed in the preceding year.

Capital Requirement, Structure and Resources

Total term loans and bank overdraft decreased from RM59.2 million in 2019 to RM56.2 million in 2021, because the portion of funds raised in private placement for scheduled repayment of bank borrowings had reduced the bank overdraft as at balance sheet date.

KNOWN TRENDS AND MOVING FORWARD

The Group's businesses in the hospitality and investment property segments, which had been affected by the Covid-19 pandemic and the imposition of MCO, are expected to continue operating in a challenging environment amidst the same restrictions. However, with the implementation of the national Covid-19 immunisation program, whilst helping to curb the spread of the virus, also serves to revitalise economic activities which should translate to improved sentiment for the hospitality, investment properties and property development segments. The Group's property development segment is expected to continue to be driven by its on-going BTR project. In addition, the Group is in the midst of acquiring a joint development right for a development situated in Damai, Kota Kinabalu, Sabah. Notwithstanding this, the Group takes cognisance of the current property market condition and will continue to adopt a cautious approach for the Group's property development projects. The Group will evaluate all options available at the material point in time before launching any particular projects.

Moving forward, the Group will explore business opportunities in property development to seek for potential land banks in strategic locations, as well as non-property related business opportunities. In addition, as disclosed in the announcement to Bursa on 12 October 2021, the reduction of the Group's gearing from proceeds of the proposed rights issue with warrants and the surplus to be raised, if any, will enable the Group to be ready to capitalise on any business opportunities which may arise once the economic activities recover.

With the reduction of the Group's gearing from proceeds of the proposed rights issue with warrants, and the impairment loss of around RM27.3 million in the Hotel, the Group is expected to operate at lower asset value, depreciation and finance costs, which will in turn improve the financial performance of the Group moving forward. The Group remains hopeful to gain from the gradual recovery of the economy and gradual opening up of the retail and hospitality segment when the situation improves further.

DIVIDEND

The Board does not recommend any dividend for the financial period 2021.

SUSTAINABILITY STATEMENT

SCOPE OF REPORT

Eastland is committed to empowering sustainable decisions throughout our organisation and reporting our sustainable development activities in accordance with the Global Reporting Initiative (GRI). This report discloses the impacts of our activities across economic, environmental, and social aspects by the Group.

The Grand Renai Hotel in Kota Bharu Kelantan ("TGR") is the main operation of the group, contributing 63% of the group revenue for the financial period ended 30 June 2021 and has been used as the case study for the Sustainability Report 2021. Property development is not considered in this study as the activity has slowed down due to the Covid-19 Pandemic ("**Covid-19**") and it does not contribute materially to the Group revenue.

SUSTAINABILITY GOVERNANCE

The following sections report our sustainability performance under the three principles of our sustainability mission i.e. Economic, Environmental and Social Sustainability.

STAKEHOLDER ENGAGEMENT

Eastland recognises that stakeholders form an integral part of our ecosystem and therefore we are committed to take proactive measures to engage stakeholders with a sense of mutual respect to identify, manage and communicate with these stakeholders to ensure all facets are taken into consideration in our decision-making process. This approach helps us develop long lasting partnerships within our community.

Stakeholders	Engagement Methods	Frequency	Stakeholder Interests	How We Deliver Value
Shareholders / Investors	• Annual General Meeting • Extraordinary General Meeting	• Annually • When required	• Higher financial return	• Financial performance • Return on Investment (ROI)
Board of Directors	• Board Meetings	• Bimonthly • When required	• Corporate Governance • Regulatory Compliance • Sustainability	• Corporate Governance Policy • Sustainability Report
Employees	• Employee engagement programmes • Training • Townhall sessions	• Throughout the year	• Career development • Benefits • Communication	• Training programmes • Townhall sessions • Annual reviews • Family days
Business Partners • Financiers	• Periodic reviews as required	• As specified in agreements	• Transparency	• Ethical and fair management policies and practices
Customers	• Roadshows • Events and Activities • Social media • Courtesy calls • Sales visits	• Throughout the year	• Value for money • Quality product • Up to date information • Effective complaints resolution	• Ethical pricing • Exceptional service • Quality measures • Online and offline communication channels
Local Communities and NGOs	• Community engagement • Social activities	• Throughout the year	• Community care and support • Good corporate governance	• CSR activities

SUSTAINABILITY STATEMENT
cont'd

STAKEHOLDER ENGAGEMENT *(cont'd)*

Stakeholders	Engagement Methods	Frequency	Stakeholder Interests	How We Deliver Value
Suppliers • Contractors • Material suppliers	• Tender and Bidding • Request for Quotation • Request for Proposal	• Throughout the year	• Ethical management and procurement	• Online and offline communication channels • Clear and fair procurement policies and practices
Local Government Authorities and Agencies • Bursa • Ministries • Local Authorities • Bomba • Utility Bodies • JKR • JAKIM • Etc	• Compliance with Government legislative framework	• Annually • As required on activity basis	• Transparency • Regulatory compliance and disclosures • Accountability • Policy alignment	• Annual Report • Certifications and Registrations • Public Disclosure • Compliance • Sustainability report

ANALYSIS OF MATERIALITY

Due to the prevalence of Covid-19 during the financial period, physical workshops were not able to be conducted. The management had conducted the sustainability workshop via Zoom on 18 August 2021. The framework adopted in the assessment of sustainability report for 2021 is shown below.

THE PROCESS

Relevant Head of Department's highlighted matters of importance within their respective field and matters which were important to stakeholders.

The issues were subsequently categorised broadly into the 3 principles of sustainability i.e. Economic, Environmental and Social. From the broad categories the list was expanded and ranked by "Importance to Stakeholders" and "Relevance to Eastland" on a scale of 1-5. 1 being of low importance and 5 being high importance.

Subsequently, the stakeholders were mapped out according to a Power/Interest Grid in order to identify those which were in the high interest-high power category, which requires adequate mitigation measures be put in place to address critical issues.

THE PROCESS *(cont'd)*

The Result

Stakeholders	Important Issues	Mitigation Measures	Status
Shareholders / Investors	Profit	Business Plan	In Place
Owner	Profit Reduce Wastage Employee and Customer Loyalty	Business Plan Go Green Campaign Engagement	In Place Ongoing Ongoing
Hotel Management	Achieving Budget Better Product Proper Organisation Structure Recognition Leisure	KPI Maintenance and Renovation Plan Organisational Chart Awards and Remuneration Leisure Benefits	In SOP Ongoing In Place In Place Ongoing
Customers	Low Prices Good value Experience Safety Comfort Parking	Market Research Market Research Engagement, QC and Renovation Plan Health and Safety Plan Engagement, QC and Renovation Plan Valet Services/Renovation Plan	Ongoing Ongoing Ongoing In Place Ongoing Ongoing

A major recurring issue was the age of the property which required that an effective maintenance plan be in place coupled with progress upgrading and renovation so as to maintain relevance within the local marketspace.

The Board recognises that the business plan will need to be revisited in view of Covid-19, which will affect all business sectors. At the point of preparation of this report, the Group is unable to measure the full impact of the Covid-19 pandemic. However, as a sustainability measure, the management of TGR has enhanced the Food & Beverage ("F&B") division as a means of revenue diversification. Examples of which are food delivery services and "Singgoh Beli" food bazaar. TGR has also registered with the Ministry of Health as a quarantine centre to offset the low occupancy rates.

SUSTAINABILITY GOALS

Based on the 17 Sustainable Development Goals outlined by the United Nations, TGR had adopted 4 Goals in 2019 (Goals 2, 4, 12 and 13) and further added on three goals during the financial period – the promotion of gender equality, innovation and infrastructure and partnership for the goals.

In summary, TGR staff is trained with *'quality education'* to provide and maintain the highest level of service in satisfaction to our customers. To adopt our ideals to *'protect the planet'*, we inculcate the mindset of *'responsible consumption'* and utility conservation at all levels of the organisation. Through our Corporate Social Responsibility ("CSR") efforts we continued to donate food to the underprivileged in our Goal to promote *'no hunger'*.

SUSTAINABILITY STATEMENT
cont'd

SUSTAINABILITY GOALS *(cont'd)*

Additionally, to maintain relevance in the competitive hotel industry, *'infrastructure'* at Lobby as well as guest rooms at Levels 10 and 19 had been refreshed. Labour and materials for the implementation had been sourced locally.

During the financial period we also focused on *'Gender Equality'* in assessment of recruitment and staffing at TGR. We have also forged *"partnerships"* with Kelab Media Kelantan to jointly promote our sustainability endeavours.

Economic

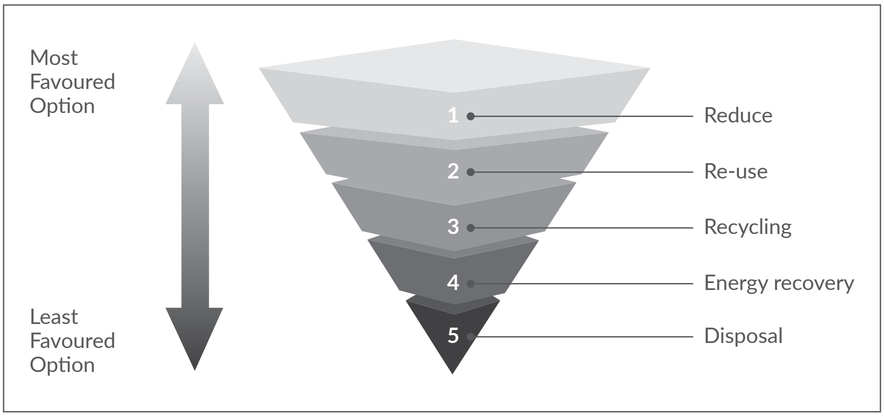
Economic sustainability is achieved when there is optimum allocation of human capital, financial and natural resources. Economic sustainability is a critical aspect which is addressed in all levels of the group and projects undertaken by Eastland. Apart from revenue maximization measures, strategies such as Life Cycle Cost Analysis (LCCA) is adopted to ensure that cost of acquisition, operation, maintenance and disposal are considered during initiation stage.

Focus will also be given to employment creation and local income generation. Where possible, materials and workforce will be sourced locally.

During the operations and implementation stages, quality is maintained via Quality Control measures. For instance, as per Standard Operating Procedure ("SOP") in hotel operation to ensure that quality is maintained and thereby minimising rework and wastages.

Environmental

To ensure environmental sustainability, 4Rs Strategy needs to be adopted.



A large portion of environmental sustainability is derived from the ability to reduce consumption and wastages. This will be the focus in the early adoption of Eastland's Sustainable Development journey.

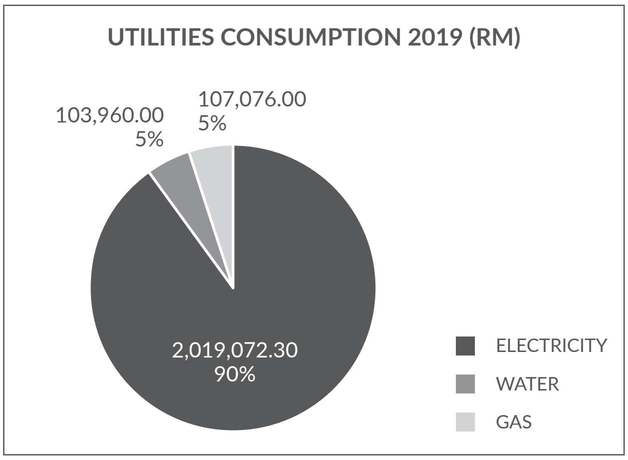
Energy consumption reduction practices have been applied using automatic key card power switches so that power is switched on only when guests are in the rooms. During off peak seasons, air-conditioning is switched off at unutilised floors. Dual flush toilets are used, and flush capacity of tanks are reduced to conserve water consumption.

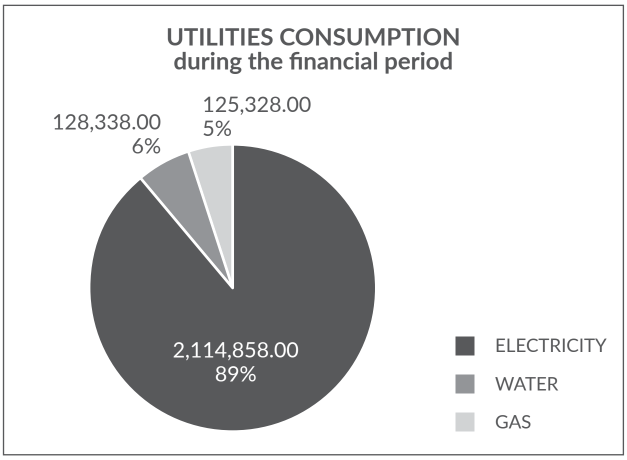
A Go-Green campaign was continued from the previous year whereby towels and linens were replaced every alternate day unless otherwise requested by the guests. Old filament light bulbs are being replaced with LED lighting in stages. Close coordination is carried out between sales and F&B to ensure optimum quantity of food is prepared during buffet services and thereby minimising wastage.

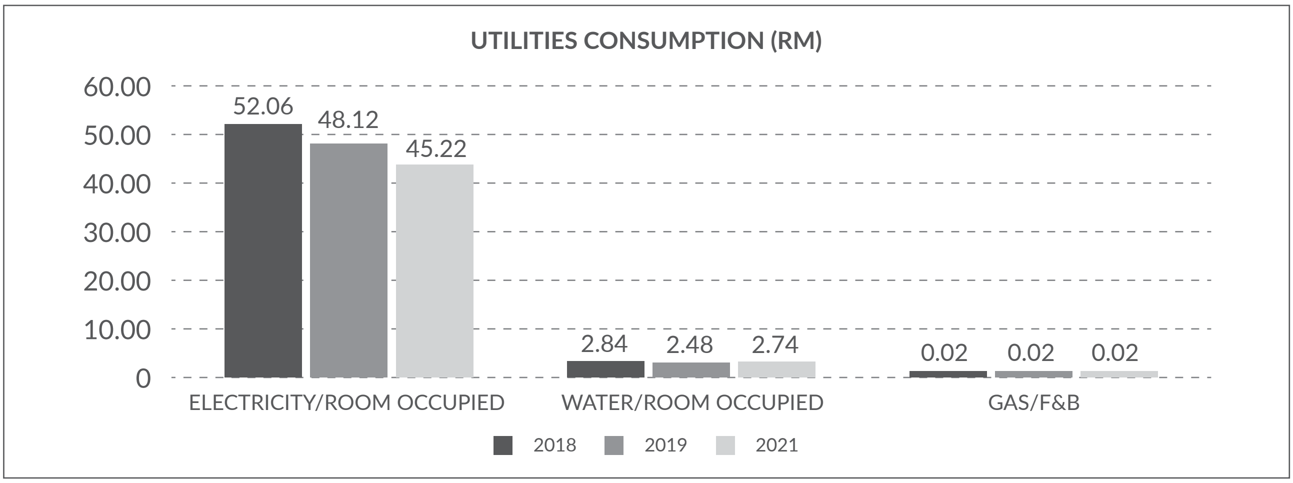
SUSTAINABILITY STATEMENT
cont'd

SUSTAINABILITY GOALS *(cont'd)*

Environmental *(cont'd)*







Generally, utilities consumption was in line with prior year trend. Utilities expenditure recorded a growth due to a change of financial year end from 31 December to 30 June, the results compiled for the period is 18 months compared to 12 months in the previous report. There is a great deal of seasonality in the hospitality industry, which may skew the overall results.

In terms of utility consumption per room occupied, TGR successfully reduced electricity consumption of electricity by 6% year on year. However due to an incident of leaking of the cooling tower, water consumption had increased by 11%. The cooling tower had since been repaired.

Social

Social sustainability is about identifying and managing business impacts, both positive and negative, on people. Directly or indirectly, companies' affect what happens to employees, workers in the value chain, customers, and local communities, and it is important to manage these impacts proactively. Eastland seeks to build quality relationships within its organisation and to all stakeholders alike. We seek to carry out business responsibly by aligning our strategies on human rights, labour, environment, and anti-corruption.

We believe that welfare begins at home. The management usually meets with staff on a quarterly basis in the attempt to listen and foster a better working environment for all. During annual dinners, the management awards staff in recognition for excellent service and long employment. In financial period 2021, town hall events had been postponed.

A social sustainability goal which was the focus during the financial period was gender equality. As at 30 June 2021, 67% of the Executive Committee, 29% of executive/management and 36% of rank-and-file staff employed at TGR were female.

SUSTAINABILITY STATEMENT
cont'd

SUSTAINABILITY GOALS *(cont'd)*

Safe Working Environment

Anticipation of Health & Safety Risks is paramount in our daily operations. We seek to consistently meet industry standards of safety at each of our workplace. We adopt safety measures in standard operating procedures which are enforced diligently. This includes the use of suitable personal protective equipment and having sufficient first aid kits in each department. This will minimise incidents, accidents, and loss time injuries, which in turn will ensure higher productivity and efficiency in our property. During the financial period, no significant injuries or loss time incidents were reported.

In response to the Covid-19 pandemic, the hotel has developed specific response guidelines and sanitisation measures in collaboration with the Ministry of Health to ensure hourly sanitisation and a safe environment for our employees and patrons.

In order to reduce risk of Covid-19 infection and severe outcome of infection, the hotel has registered employees who did not get appointment through MySejahtera application to 2 different vaccination programs, one under Kementerian Kesihatan Malaysia and another one under Malaysian Association of hotels. The vaccination drive started in July 2021 and to end in October 2021.

Quality Education

TGR is committed to continual education of our staff. However, due to Covid-19 and inability to conduct mass gatherings; group trainings were put on hold and trainings were only carried out in small batches. Training Events conducted during the financial period by the Group include:-

- Orientation for new employees
- Service Sequence Training

CORPORATE SOCIAL RESPONSIBILITY ("CSR") EVENTS

Some of the CSR activities conducted by the Group during the financial period include:

- **Blood donation**

  On 1 March 2020, TGR organised a blood donation event in collaboration with Hospital Raja Perempuan Zainab 2 which was attended by associates, management and owners of the hotel. The event serves to raise awareness on the importance of the blood bank and promote a caring society through a series of these events each year.


- **Solat Hajat Madrasah Ribat Thoha Pasir Puteh**

  Another annual event which TGR hosts each year is a dinner for underprivileged children. On 31 December 2020, a Solat Hajat prayer was held in solidarity of the Covid-19 pandemic and wishes for continued academic excellence by the teachers and students of Madrasah Ribat Thoha Pasir Puteh. The event was held in the Merbok and Merpati Rooms and was followed by a private dinner.


- **Ramadan food drive**

  The *"no dine in"* policy mandated during lockdowns could not hamper the spirits of our hotel associates; who set up a bazaar in front of TGR during Ramadan to continue to serving the community with low cost and great value meals. The event even caught the attention of Astro Awani.

SUSTAINABILITY STATEMENT
cont'd

CORPORATE SOCIAL RESPONSIBILITY ("CSR") EVENTS *(cont'd)*

- **Program "Kita Kongsi" in conjunction with Persatuan Wartawan Kelantan**

  In partnership with Kelab Media Kelantan (KEMUDI), TGR organised several CSR events to assist distraught families all over Kelantan. Aligned with the sustainability goals of *No Poverty* and *No Hunger*; TGR leads by example in spreading love, unity and respect amid the pandemic.

Photos courtesy of Astro Awani and Sinar Harian

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

COMPOSITION AND ATTENDANCE OF MEETINGS

The Audit and Risk Management Committee ("ARMC") comprises three (3) members who are wholly Independent Non-Executive Directors. All members of the ARMC have no family relationship with any of the Executive Directors, officers and major shareholders of the Company and have satisfied the criteria of an Independent Director defined in the Main Market Listing Requirements ("MMLR").

The current ARMC Chairman, Mr Ong Lu Yuan was appointed on 17 September 2020. Mr Ong is a Fellow Member of the Chartered Accountant in England and Wales.

Members of the ARMC comprise qualified accountant and experienced directors who have the knowledge in the financial reporting standards, legal practice and industries of the businesses of the Group. The ARMC is also supported by qualified and experienced financial controller involved in the supervision and preparation of the financial statements of the Group. None of the members of the ARMC were a partner of the current Auditors of the Company.

During the financial period ended 30 June 2021, there were six (6) ARMC Meetings held. Details of attendance by the members are as follows:

Director	Number of Meetings Attended during Tenure of Office
Ong Lu Yuan *Chairman* *Independent Non-Executive Director* *(Appointed on 17 September 2020)*	3/3
Mohamed Akwal Bin Sultan Mohamad *Member* *Independent Non-Executive Director*	6/6
Masleena Binti Zaid *Member* *Independent Non-Executive Director*	6/6
Petrus Gimbad *Chairman* *Independent Non-Executive Director* *(Resigned on 20 June 2020)*	2/2

TERMS OF REFERENCE

The terms of reference of the ARMC are published on the corporate website of the Company at http://www.eeb.com.my/.

SUMMARY OF ACTIVITIES

The activities undertaken by the ARMC in discharging its duties and functions during the financial period are summarised as follows:

a. **Ensuring Financial Statements Comply with Applicable Financial Reporting Standards**

   i. reviewed the annual audited financial statements presented by the External Auditors and discussed in detail on the issues concerning compliance with applicable approved accounting standards and treatments, going concern, key audit matters, the MMLR and other regulatory disclosures requirements;

   ii. conducting private sessions with the External Auditors to ensure that contentious audit and accounts issues, if any are being brought up to the attention of the ARMC; and

   iii. reviewed the interim financial statements prepared by management including the cash flows projection and positions and the Group's ability to meet its financial obligations with the presence and explanations of the Managing Director, Executive Director and Financial Controller.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF ACTIVITIES *(cont'd)*

b. Reviewing the Audit Findings of the External Auditors and Assessing their Performance, Suitability and Independence

Prior to the commencement of the statutory financial audit, the ARMC reviewed and discussed with the External Auditors on their audit planning memorandum covering the audit risk areas, audit approach, audit emphasis, the new financial reporting standards and their independence.

Subsequent to the completion of audit, the External Auditors presented and briefed the ARMC on the audit status and their impact on the Group's financial reporting, general regulatory development and changes, and key audit matters to be included in the Auditors' Report.

The ARMC had evaluated and assessed the External Auditors' performance and independence and conducted private sessions with the External Auditors without the presence of the Executive Directors and management as mentioned earlier.

During the financial period, the audit fee and non-audit fees for services provided by the External Auditors to the Group and the Company respectively for the financial period ended 30 June 2021 are as follows:

Fees incurred	Audit Fee RM	Non-Audit Service Fees RM
The Company	102,000	6,000
The Group	191,000	6,000

Based on the confirmation of the External Auditors, the ARMC concurred that the provision of non-audit services covering Statement on Risk Management and Internal Control to the Group did not impair or were not perceived to impair the independence and objectivity of the External Auditors.

The ARMC also reviewed the external audit fee based on fee comparison performed by Financial Controller. It was noted that the audit fee charged was reasonable and was then recommended to the Board for consideration and approval.

Separately, the ARMC had also evaluated and satisfied with the performance of the External Auditors before proposing their re-appointment to the Board for recommendation to the shareholders for approval at the Annual General Meeting of the Company.

c. Reviewing the Audit Findings of the Internal Auditors and Assessing the Effectiveness and Adequacy of the Systems of Risk Management and Internal Control in the Key Operating Processes of the Group

Internal Auditors' findings are the source of information for the ARMC to assess the state of risk management and internal control systems in the Group.

When reviewing the Internal Audit Reports, the ARMC considered the impact of the audit issues and the effectiveness and adequacy of the risk management and internal control processes in the present management systems. Executive Directors and management were also invited to attend the ARMC meetings during the deliberation of internal audit findings. The presence of management ensured that the ARMC received a fair and balance view of the audit findings and issues reported by the Internal Auditors.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

SUMMARY OF ACTIVITIES *(cont'd)*

c. Reviewing the Audit Findings of the Internal Auditors and Assessing the Effectiveness and Adequacy of the Systems of Risk Management and Internal Control in the Key Operating Processes of the Group *(cont'd)*

In view of the Covid-19 pandemic, the ARMC had directed the Internal Auditors to review the effectiveness of Covid-19 preventive measure implemented by management in the Grand Renai Hotel based on the Standard Operating Procedures under the Clean and Safe Malaysia Hotel Certification Guidelines. When conducting the review in The Grand Renai Hotel, the Internal Auditors had also extended its review to look at the Purchasing, Food and Beverage and compliance of Personal Data Protection Act procedures in the Hotel. In addition, the ARMC had also initiated a corporate liability review to assess the adequacy of the anti-corruption and bribery policy and procedures in the Company.

The ARMC had conducted an annual review of the Internal Auditors' performance based on their scope of work, competency, staff resources, authority to carry out their work, independence, due professional care, and on-going engagement with the ARMC Chairman. Overall, the performance of the Internal Auditors was satisfactory.

Similar with the External Auditors, the ARMC also hold private sessions with the Internal Auditors without the presence of the Executive Directors and management regularly.

d. Review on any Related Party Transaction

When reviewing the related party transaction, the ARMC's objective was to ensure that related party transactions were made on arm's length basis and at the same time feasible and beneficial to the Company financially, operationally and commercially.

As part of this review, the ARMC also consulted the Company Secretaries to ensure that all related party transactions, if any complied with the MMLR.

e. Overseeing Governance Practices

The ARMC continues to play an important role in ensuring the integrity, clarity and relevance of the information disclosed in the Annual Report. Before finalising the various governance disclosures in the Annual Report, the ARMC together with all other Board Members, Company Secretaries and management, reviewed the Corporate Governance ("CG") Report, CG Overview Statement, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement and Directors' Responsibility Statement.

Two of the new governance practices implemented in the Company are Groupwide Oversight Framework and Anti-Bribery and Corruption Framework and Policy. The Groupwide Oversight Framework covers the Board oversight responsibilities on business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level, while the Anti-Bribery and Corruption Framework and Policy provides guidance and measures to prevent bribery activities.

Before recommending both Frameworks to the Board for adoption and roll-out in the Group, the ARMC had reviewed and deliberated these Frameworks and Policy and the certain revisions made on the Board Charter, Code of Conducts and Whistleblowing Policy to streamline with these frameworks.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT
cont'd

INTERNAL AUDIT FUNCTION

Functionally, the Internal Auditors report directly to the ARMC. The primary responsibility of the Internal Auditors is to assist the Board and the ARMC in reviewing and assessing management systems of internal control and procedures and providing recommendations to strengthen these systems.

The Company had outsourced its internal audit function to a third-party internal audit firm, IA Essential Sdn. Bhd. The internal audit function is headed by a Manager and supported by a team of audit executives who are accounting graduates. The Manager in charge, Ms. Chen Pei Ping is an Associate Member of the Institute of Internal Auditors Malaysia and an accounting graduate.

In discharging her responsibilities, Pei Ping reports to Mr. Chong Kian Soon who is the Director of the firm and a member of Chartered Accountants Australia and New Zealand, the Malaysia Institute of Certified Public Accountants and the Institute of Internal Auditors Malaysia.

The Internal Auditors have conducted their work based on the broad principles of the International Professional Practice Framework of the Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns.

During the financial period, the Internal Auditors had conducted a corporate liability review and an internal control review on the Purchasing, Food and Beverage, compliance of Personal Data Protection Act procedures and Covid-19 preventive measures of The Grand Renai Hotel. The internal audit reports containing the audit findings, recommendations and management's responses, including target implementation dates, were circulated to the ARMC. These reports were also provided to management for implementation of corrective actions. Follow-up review was also performed to ascertain the status of management's implementation of the past audit recommended actions.

The fee incurred for the internal audit function in respect of the financial period ended 30 June 2021 was RM30,000 (2019: RM30,000).

NOMINATING COMMITTEE STATEMENT

The Nominating Committee ("NC") is formed to ensure that there are formal and transparent procedures for the appointment and appraisal of director and key officers.

During the financial period, the NC has conducted one (1) meeting. Details of the attendance by the members of the NC are as follows:

Director	Number of Meetings Attended during Tenure of Office
Masleena Binti Zaid *Chairman* *Independent Non-Executive Director* *(Re-designated as Chairman of NC on 20 February 2020)*	1/1
Mohamed Akwal Bin Sultan Mohamad *Member* *Independent Non-Executive Director*	1/1
Ong Lu Yuan *Member* *Independent Non-Executive Director* *(Appointed on 17 September 2020)*	--
Petrus Gimbad *Member* *Independent Non-Executive Director* *(Resigned on 20 June 2020)*	1/1

The Terms of Reference of the NC are available at the Company's website at http://www.eeb.com.my/.

Following are the activities conducted by the NC during the financial period in discharging its responsibilities:

a) Performance Evaluation of the Board, Board Committees and Individual directors and key officers and the re-election of directors

The performance appraisal of the Board, Board committee and individual directors are conducted by way of self and peer reviews and coordinated by the NC.

Based on the assessments, it was concluded that:

i) The overall performance and effectiveness of the Board and the Committee of the Board as a whole are satisfactory;

ii) Each Individual Director Including Independent Non-Executive Directors, Managing Director, Executive Directors and Chief Financial Officer possess the relevant qualifications, knowledge, experience and ability to understand the technical requirements, risks and management of the Group's business; and have discharged their duties and responsibilities in a commendable manner and have demonstrated their willingness to devote time and effort to the affairs of the Company and Group;

iii) The skill mix and experience of the Directors including the core competencies of the Non-Executive Directors and size of the Board was satisfactory;

iv) All Independent Directors have complied with the criteria of independence as set out in the MMLR of the Bursa Securities and carried out their duties and responsibilities independently and objectively;

v) The performance of the ARMC and its individual members were satisfactory and have carried out their duties in accordance with their terms of reference; and

vi) Based on the result of these assessments, the directors standing for re-election are recommended to the Board to be proposed to shareholders in the coming AGM for re-appointment.

NOMINATING COMMITTEE STATEMENT
cont'd

a) Performance Evaluation of the Board, Board Committees and Individual directors and key officers and the re-election of directors *(cont'd)*

In addition, during the board assessment session, the NC has also discussed on the areas of improvement highlighted by the respective directors to be undertaken by the Company for continual governance improvement purpose. In summary, these areas of improvement are:

a. to re-define the Company's values and mission, strategy and plan for business direction of the group;

b. to identify suitable key performance indicator (KPI) to benchmark the performance of each executive director and senior management;

c. to re-organise the authority matrix to ensure appropriate allocation of powers;

d. to establish Board and management succession framework upon completion of the current corporate and business turnaround exercises;

e. to continuously ensure that the Audit and Risk Management Committee composition is sufficient and appropriate for the nature and size of the Group and comprise of members with the right skills and qualification to carry out its roles and responsibilities; and

f. to attend at least one seminar, workshop or training related to the Group's business and industry, regulatory updates, corporate governance and financial reporting standards per year by all Board members.

b) Board Diversity

As reported in the previous year Annual Report, the Board will take necessary steps to ensure that more women candidates are sought when considering appointment of new directors and has appointed Puan Masleena Binti Zaid as Independent Non-Executive Director of the Company.

Continuing from this commitment, the Board has further appointed Puan Masleena Binti Zaid as the Chairlady of the NC based on the recommendation made by the members of the NC.

c) Evaluated the Appointment of New Directors

During the financial period, the NC had reviewed the appointment of the following Directors before recommending their appointments to the Board for approval.

i) Derek Phang Kiew Lim – Executive Director

In evaluating Derek's appointment, the NC had considered his past performance in assisting the Company on corporate finance matters when he was engaged as a consultant by the Company, the needs of the Board and Management presently to have a member who is experienced in managing and overseeing the corporate exercises that the Company is undergoing, identification of project and working with corporate bankers as well as the current Executive Directors' areas of responsibilities and workload

ii) Ong Lu Yuan - Independent Non-Executive Director and Chairman of Audit and Risk Management Committee

In evaluating Mr Ong's appointment, the NC had considered his past experiences, qualification and professional skills, the needs of the Board and Company presently to have an independent board member with finance and accounting background to fill the vacancy of Chairman of the Audit and Risk Management Committee. Mr Ong is a Fellow Member of the Chartered Accountant in England and Wales.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance ("CG") Overview Statement is presented in accordance to the provisions in the Practice Note 9 of the Main Market Listing Requirement ("MMLR"). The objective of this Statement is to provide an overview of the key corporate governance practices of the Group during the financial period with reference to the CG principles on:

(a) board leadership and effectiveness;
(b) effective audit and risk management;
(c) integrity in corporate reporting and meaningful relationship with stakeholders.

The CG Overview Statement also highlights the Board's focus areas and future priorities in relation to its corporate governance practices.

In addition to this CG Overview Statement, the Board has explained in point-by-point the application of each CG Practice in its Corporate Governance Report ("CG Report") which was announced together with the 2021 Annual Report of the Company to the Bursa Securities. Shareholders may also obtain this CG Report by accessing this link http://www.eeb.com.my/ for further details and are advised to read this CG overview statement together with the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition

Following is the summary of the changes in the boardroom during the financial period and before the finalisation of this Annual Report:

Date	Name	Change in Boardroom
9 August 2021	Eric Wee Ei-Mas	Resigned from the Board to focus on his role as Project Director at the subsidiary level
9 August 2021	Dato' Lee Wai Mun	Appointed as Executive Director
17 September 2020	Mohamed Akwal Bin Sultan Mohamad	Redesignated as Chairman of the Board
17 September 2020	Ong Lu Yuan	Appointed as Independent Non-Executive Director, Chairman of Audit and Risk Management Committee and Member of Nominating and Remuneration Committees respectively
19 June 2020	Petrus Gimbad	Resigned from the Board to commence personal pursuit in helping community
20 February 2020	Phang Kiew Lim	Appointed as Executive Director
20 February 2020	Masleena Binti Zaid	Appointed as Chairman for Nominating Committee

As of the date of this Annual Report, the Board has seven (7) members and the composition of the independent director in the Board (3 out of 7) is slightly below half of the Board size but is in compliance with the MMLR of to have a minimum of 1/3 of independent directors on the Board. Nevertheless, with the integrity of all Board members, the presence of an Independent and Non-Executive Chairman on the Board, and his right of a casting vote under the Constitution of the Company, the Board wishes to assure that such composition will not affect the effectiveness of the Board oversight responsibility on the management.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board Responsibilities

The Board is responsible for overseeing the control and management of the Company to protect the interest of its shareholders and stakeholders. They also play an active role in overseeing, guiding and advising the management on strategic business plan and direction of the Group to ensure proper management and business continuity.

At every Board meeting during the financial period, the Board has reviewed and deliberated with management on the Group's performance, which covered the business operations risks, operational performance, financial results, cash flow position, and the potential projects and turnaround plan of the Group.

The Board has implemented its Groupwide Oversight Framework ("GOF") during the financial period. This GOF is developed in responding to the "Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries" issued by the Securities Commission. Under the GOF, the Board has defined its responsibilities with respect to the oversight on business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level as well as the responsibility of the subsidiary management to support the Board in carrying out this oversight responsibility effectively.

In cognisance of the Board and the Management's accountability to the Company and its shareholders, the Board has established clear functions reserved for the Board and those delegated to the Management. The Board Charter has identified a formal schedule of matters and outlined the agenda that requires Board's attention and deliberation at the Board meetings. The Board Charter is available on the Company's website.

Board Committees

The Board has established three (3) committees of the Board, namely the Audit and Risk Management Committee ("ARMC"), Nominating Committee ("NC") and Remuneration Committee ("RC"), with defined Terms of Reference ("TOR"). The composition of the respective Board Committees are presented on page 7 of this Annual Report while the TORs of the respective committees are available at the Company's website.

The objective of the Board Committees is to deliberate and overseeing areas defined within their TORs and to recommend actions to the Board for decision. Notwithstanding the existence of the Board Committees, the Board as a whole is ultimately responsible for the oversight areas and functions of the Board Committees. Therefore, the Board has continued to keep itself abreast of the significant matters and resolutions deliberated by each Board Committee from the reports presented by the respective Chairs of the Board Committees, and minutes of meetings and circular resolutions passed by each Board Committee.

Following is the attendance record of the RC. The attendance records of ARMC and NC are presented on pages 27 and 31 respectively of this Annual Report:

Director	Number of Meetings Attended During Tenure of Office
Mohamed Akwal Bin Sultan Mohamad *Chairman* *Independent Non-Executive Director*	1/1
Masleena Binti Zaid *Member* *Independent Non-Executive Director*	1/1
Ong Lu Yuan *Member* *Independent Non-Executive Director* *(Appointed on 17 September 2020)*	--
Petrus Gimbad *Member* *Independent Non-Executive Director* *(Resigned on 20 June 2020)*	1/1

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board Committees *(cont'd)*

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skill sets. During the financial period, ten (10) Board meetings were held and details of attendance of the Board members are set out below.

Director	Number of Meetings Attended During Tenure of Office
Mohamed Akwal Bin Sultan Mohamad *Chairman and Independent Non-Executive Director* *(Re-designated as Chairman on 17 September 2020)*	10/10
Lee Chee Kiang *Managing Director*	8/10
Dato' Lee Wai Mun *Executive Director* *(Appointed on 9 August 2021)*	--
Tan Chin Hong *Executive Director*	10/10
Derek Phang Kiew Lim *Executive Director* *(Appointed on 20 February 2020)*	9/9
Eric Wee Ei-Mas *Executive Director* *(Resigned on 9 August 2021)*	10/10
Masleena Binti Zaid *Independent Non-Executive Director*	10/10
Ong Lu Yuan *Independent Non-Executive Director* *(Appointed on 17 September 2020)*	6/6
Petrus Gimbad *Independent Non-Executive Director* *(Resigned on 20 June 2020)*	2/2

The Board is updated regularly by the Company Secretary and the Management on the training programme available by regulators and professional bodies. Board members are advised by the NC to attend the relevant training based on their skillset needs.

During the financial period, the Board members had attended the following trainings:

Director	Training Attended	Date	Duration
Mohamed Akwal Bin Sultan Mohamed	Key Disclosure Obligations of a Listed Company - Financial Reporting	13/08/2020	4 hours
Lee Chee Kiang	Managing Risk Effectively Amidst Uncertainty	17/06/2021	4 hours
Dato' Lee Wai Mun *(Appointed on 9 August 2021, after financial period ended)*	--	--	--

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Board Committees *(cont'd)*

Director	Training Attended	Date	Duration
Tan Chin Hong	• The New Normal: Expected Trends in Tax, Economic and Corporate Transaction	24/04/2020	1.5 hours
	• Solar PV Investment: A Boon to Companies in Malaysia? By Baker Tilly Malaysia	15/07/2020	2.5 hours
	• MIRA Sustainability Accelerator Programme	23/07/2020	1 hour
	• Implementing Amendments in the Malaysian Code on Corporate Governance	14/06/2021	2 hours
Derek Phang Kiew Lim	• Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies by Bursa Malaysia	15/06/2020-17/06/2020	12 hours
	• Key Disclosure Obligations of a Listed Company - Financial Reporting	13/08/2020	4 hours
	• MIA Virtual Conference Series: Capital Market Conference 2021	17/06/2021	7 hours
Eric Wee Ei-Mas	• Covid-19: How to Survive and Prepare for the Huge Opportunity Coming?	11/03/2020	3 hours
	• Leadership Workshop: Confront Conflict to Conquer Crisis	05/04/2020	8 hours
	• Introduction to Mechanical Car Parking Systems	21/04/2020	2 hours
	• Could Buying Property Be the Best Thing To Do Now?	18/05/2020	4 hours
	• Introduction to Building Maintenance Unit (BMU)	29/05/2020	2 hours
	• Opportunities After the New Norm	07/07/2020	3 hours
	• Property Investment Series	20/07/2020-26/07/2020	14 hours
	• Sustainability Accelerator Program	23/07/2020	8 hours
	• International Built Environment Conference (IBEC) 2020	01/09/2020	2 hours
	• Post Covid Development Paradigm, Opportunities and Challenges	04/09/2020	2 hours
	• Fraud Risk Management Workshop	25/11/2020	3.5 hours
	• Sustainability Reporting Workshop	25/05/2021	8.5 hours
	• Implementing Amendments in the Malaysian Code on Corporate Governance	15/06/2021	2 hours
Masleena Binti Zaid	• LED 1 - Listed Entity Director Essentials	06/10/2020	8 hours
	• LED 2 - Board Dynamics	08/10/2020	4 hours
	• LED 3 - Board Performance	08/10/2020	4 hours
	• LED 4 - Stakeholder Engagement	13/10/2020	4 hours
	• Managing Risk Effectively Amidst Uncertainty	17/06/2021	4 hours
Ong Lu Yuan	• Fraud Risk Management Workshop	25/11/2020	3.5 hours
	• Mandatory Accreditation Programme (MAP) for Directors of Public Listed Companies by Bursa Malaysia	30/11/2020-03/12/2020	12 hours
	• MIA Virtual Conference Series: Capital Market Conference 2021	17/06/2021	7 hours

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Annual Board Evaluation

The NC together with the Managing Director, representing the Management, collectively conduct annual assessments of the effectiveness of the Board and its Committees and the performance of each individual Director. The assessments consider the mix of competencies, qualification, contribution and performance of Directors which take into account their competencies, character, commitment, integrity, experience and time expended in meeting the needs of the Group. The Board was assessed internally through peer reviews and are properly documented, summarised and reported to the Board.

Based on the assessments, it was concluded that the overall performance and effectiveness of the Board, the Committees of the Board and individual directors as a whole are satisfactory. The results of these assessments were used by the NC to recommend the directors standing for re-election to the Board for shareholders' approval in the Annual General Meeting ("AGM").

As part of this Board appraisal, certain areas of improvement were identified for continual governance improvement purposes. These key areas of improvement include:

- Re-defining the Company's and Group's values and mission;

- Identification of suitable key performance indicator (KPI) to benchmark the performance of each executive director and senior management;

- Re-organisation of the authority matrix to ensure appropriate allocation of powers; and

- Establishing board and management succession framework upon completion of the current corporate and business turnaround exercises.

Remuneration

The remuneration of the Executive Directors and Non-Executive Directors were reviewed by the RC and the Board respectively. All directors played no part in the decision of their own remuneration.

Broadly, the remuneration policy of the Executive Directors of the Board is based on the individual and Group performance as well as the market conditions, industry practice and individual responsibilities. For the Non-Executive Directors, remuneration is determined in accordance with their experience and the level of responsibilities assumed.

The terms of reference of the RC and the board policy on remuneration which is stated in the Board Charter are disclosed in the Company's website.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The detailed disclosure of the Directors and Senior Management's remunerations for the financial period ended 30 June 2021 are reported in Practice 7.1 and 7.2 in the CG Report.

The total Directors' fees and benefits payable for the financial period from the 21st AGM until the next AGM of the Company to be proposed for the shareholders' approval at the forthcoming AGM is RM500,000 (2020: RM650,000).

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(cont'd)*

Code of Conduct and Ethics

The Board has defined its Code of Conduct and Ethics covering Board's values and principles to serve as a guide to stakeholders on the ethical behaviours to be expected from the Group as well as to enable the Board to convey and instil its expected values into the organisation. In addition, the Board has provided prohibitions on directors, officers and staff in committing abuse of power, corruption, insider trading and money laundering in this Code of Conduct and Ethics.

The Group has also defined and implemented the Anti-Bribery and Corruption Policy. The objective of this framework and policy is to provide guidance to Board, management, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities.

Subsequent to the implementation of this Anti-Bribery and Corruption Policy, the Board initiated an independent review to assess the adequacy and effectiveness of this policy. New measures were identified in this review to further strengthening the existing corporate liability preventive framework including the implementation of business partners on boarding procedure, business partners' contractual responsibilities to ensure compliance with anti-corruption regulations, and declaration of compliance by internal and external stakeholders.

Whistle Blowing Policy and Procedures

The Board has established whistleblowing policy and reporting channel. The Board has also updated the whistleblowing policy based on the findings and recommendations reported in the independent review mentioned in the foregoing. The updated policy is posted on the Company's website at http://www.eeb.com.my/ for public reference.

In order to provide comfort to whistle blowers about the protection of the confidentiality of the information and identity reported, the Board has assigned the administration of the whistleblowing reporting channel to the outsourced Internal Audit Function. Stakeholders who know of, or suspects any violation of the Code may report the incidence to the ARMC Chairman by emailing to eastland@whistleblower.com.my or by posting their complaints to PO Box #911, L2- 08, Level 2, Cheras Leisure Mall, Jalan Manis 6, Taman Segar, 56100 Kuala Lumpur.

During the financial period, the Board did not receive any reports from these whistleblowing channels.

Access to Information

The Board has full, free and unrestricted access to information within the Group as well as independent professional advice or other advice in furtherance of their duties, at the cost of by the Company, if needed.

The Board may also seek advice from the Management or request further explanation, information or update on any aspect of the Group's operations or business concerns. The Board is supplied with adequate and timely information, which allows it to discharge its responsibilities effectively and efficiently. The agenda for each meeting together with Board Papers for each agenda item are delivered to each Director before the board meeting to enable them to review and prepare for discussion beforehand and to obtain further supplementary information from management in advance, if needed.

In addition, the Board has full and unrestricted access to the advice and support services from its Company Secretaries. The Company Secretaries, who are qualified, experienced and competent, advises the Board on the compliance requirements under the Company's Constitution, board policies and provisions in the regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The ARMC scrutinised the business proposals which involved interest of related party proposed by management and ensured that these proposals are feasible and beneficial to the Group financially, operationally, and commercially.

For the business proposals involving the interest of related party, the ARMC had further deliberated the arm's length of the proposals and consulted corporate advisors and the Company Secretaries on the compliance requirements with the MMLR. In order to avoid unusual market activity, the ARMC advised the Board in controlling the timing and timeliness of making appropriate annoucements and securing the dissemination of confidential information of the business proposals.

The ARMC continues to play an important role in ensuring the integrity, clarity and relevance of the information that are being disclosed in the Annual Report. Before finalising the various governance disclosures in the Annual Report, the ARMC together with all other Board Members reviewed the CG Report, CG Overview Statement, ARMC Report, Statement on Risk Management and Internal Control, Management Discussion and Analysis, Sustainability Statement and Directors' Responsibility Statement presented by the Management.

Further explanations on the ARMC's roles in ensuring financial statements compliance with Applicable Financial Reporting Standards, the relationship with both Internal Auditors and External Auditors, and other activities during the financial period are set out on the ARMC Report in this Annual Report.

Risk Management and Internal Control

The Board has put in place a Risk Management Policy covering the risk management responsibilities of the Board and management. In accordance to this policy, the Managing Director, Executive Directors and Management shall assist the Board in executing business plans, reviewing, monitoring and tracking operational challenges as well as implementing risk mitigation action plans.

The Covid-19 pandemic has adversely affected the Group's businesses, being primarily in the hospitality, property development and managing investment property. In order to manage the impact of the pandemic, the Group has adopted several financial and business strategies to ensure adequate cash flow for sustaining the Group's existing businesses and at the same time enabling the Group to explore and develop future businesses opportunities.

The Board is satisfied that the existing level of risk management and internal control systems and has received assurance from the Managing Director, Executive Director and the Financial Controller that the Group's risk management and internal control systems are adequate and effective under the present business and cash flow positions of the Group.

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

Communication with Stakeholders

The importance of communication between the Company, Board and stakeholders is it facilitates mutual understanding of each other's objectives and expectations and enables stakeholders to make informed decisions with respect to the business of the Company and the Board.

At Eastland, the corporate development and financial performance information of the Group is communicated to the investors via the Company's annual reports and through various periodic and on-going disclosures made to Bursa Securities. In addition, the Group maintains a website at http://www.eeb.com.my/ where shareholders or investors may access information on the Group under "Investor Relations" link encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities as well as the various governance polices on Board Charter, anti-bribery and corruption policy, whistleblowing policy and procedures, Code of Conduct and Ethics and Board Committees' terms of reference.

Shareholders and investors are also encouraged to interact and provide feedbacks to the Chairman and Managing Director for their areas of concern during the general meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(cont'd)*

Conduct of General Meetings

In order to promote shareholders' participation in the general meetings, the Board will continue to issue the Notice of the AGM to shareholders at least 28 days ahead of the date of general meeting. With adequate time, shareholders are able to study the reports and documents enclosed in the Notice of meeting and be more prepared to engage with the Board during general meetings on matters pertaining to the business activities and financial performance of the Group.

Shareholders who are unable to attend the AGM are advised that they can appoint proxy to attend and vote by submitting their proxy form at least forty-eight (48) hours before the time for holding the meeting or any adjournment thereof.

Due to the current pandemic situation and the wellbeing of the shareholders, the Board will hold its coming AGM virtually. The Board believes through virtual meeting, they will be able to meet and respond to shareholders effectively.

This CG Overview Statement is presented pursuant to Paragraph 15.25(1) of the MMLR of the Bursa Securities and was approved by the Board.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for ensuring that:

i. The annual audited financial statements of the Group and of the Company are drawn up in accordance with applicable Malaysian Financial Reporting Standards, the provisions of the Companies Act 2016 and the MMLR so as to give a true and fair view of the financial statements and state of affairs of the Group and of the Company for the financial period, and

ii. Proper accounting and other records are kept which enable the preparation of the financial statements with reasonable accuracy and taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

In the preparation of the financial statements for the financial period from 1 January 2020 to 30 June 2021, the Directors have adopted appropriate accounting policies and have applied them consistently in the financial statements with reasonable and prudent judgments and estimates. The Directors are also satisfied that all relevant approved accounting standards have been followed in the preparation of the financial statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present its Statement on Risk Management and Internal Control for the financial period ended 30 June 2021. The disclosure in this Statement is presented pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD RESPONSIBILITY

The Board understands the principal risks of the business faced by the Group and has established the following measures and procedures in managing and overseeing the conduct of the risk management and internal control systems in the Group:

- Functionally, all Executive Directors and Senior Management being the first and second line of defence are responsible for identifying and managing the business risks in the Group;

- Board discussions with management during the Board meetings on business and operational issues as well as the measures taken by management to mitigate and manage the business and operational risks and periodic review of financial information covering financial performance and quarterly financial results;

- The Audit and Risk Management Committee's ("ARMC") reviews and consultations with management on financial results, annual reports and audited financial statements;

- The External Auditors report to the ARMC on their audit findings and provide their feedback on risk and control issues noted by them in the course of their statutory audit; and

- The Internal Auditors perform periodic review on the system of internal controls and report their findings and recommendations for improvement on this system to the ARMC.

During the financial period, the Board has further strengthened its risk management and internal control framework by defining and implementing its Groupwide Oversight Framework in accordance with Guidelines on Conduct of Directors of Listed Corporations and their Subsidiaries issued by the Securities Commission. In this framework, the Board has defined its responsibilities with respect to the oversight on business strategy, risk management, financial and non-financial performances, and the application of governance policies and procedures at the subsidiary level as well as the responsibility of the management from the subsidiaries to support the Board in carrying out this oversight responsibility effectively.

The Group has also defined and implemented the Anti-Bribery and Corruption Framework and Policy. The objective of this framework and policy is to provide guidance to staff members, employees and business associates in taking appropriate measures and steps to prevent involvement in bribery activities. In order to streamline with this Framework and Policy, the Board has reviewed and updated its Board Charter, Code of Conducts and Whistleblowing Policy. These updated policies have been posted on the Company's website for public reference.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board has defined the Group Risk Policy which outlined the principles of risk management; the Board's and management's risk management responsibilities; and the risk management objectives. The responsibilities for the execution of business plan and control, and monitoring of risks are led by all Executive Directors and the Financial Controller. When deliberating the business agenda during the Board and ARMC meetings, both the Board and senior management members will jointly evaluate the risks and impacts involved in the agenda as well as the effectiveness and adequacy of action plans to manage the identified risks.

The Covid-19 pandemic has adversely affected the global and domestic economy and posed financial liquidity risk and uncertainties to many businesses. The Group's businesses, being primarily in the hospitality, property development and investment property, have been directly affected by the pandemic and the different scales of the Movement Control Orders implemented in the states where the Group has business establishment as well as the restrictions of interstate and inter-district travels and prohibition of business gatherings and events.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

RISK MANAGEMENT AND INTERNAL CONTROLS *(cont'd)*

In order to manage the impact of pandemic, the Group has adopted the following strategies to ensure adequate cash flow for sustaining the Group's existing businesses and to explore and develop future businesses opportunities:

i. Issuance of new shares by way of private placement
ii. Negotiation of repayment terms with creditors
iii. Further tightening on cost control measure
iv. Retaining key tenants and securing new prospects for the investment properties
v. Reprioritising the plans for development projects in accordance to the new market environment.

Other measures and procedures that the Board uses to derive its comfort on the state of internal control and risk management in the Group are as follow:

- Delegation and separation of responsibilities between the Board and management. The Managing Director and Executive Directors report to the Board on the performance of the operations while the Board scrutinises the management performance in order to ensure objectivity in assessing its effectiveness;

- Periodic discussion and review of the Group's cash flows, financial and business units' performances, funding and operational issues in order to ensure that challenges and risks are addressed timely and appropriately;

- The ARMC also discusses with the External Auditors on key concerns and findings on financial and internal control matters at the audit planning, interim and final stage of the audit including any follow-up action required by management, and Internal Auditors;

- External professional advices are sought when needed to ensure that contractual risks are appropriately addressed and managed before entering into material contracts or agreements;

- Management assurance that the Group's risk management and internal control systems are adequate and effective, in all material respects, through discussion with Managing Director, Executive Directors and Financial Controller on operational matters;

- The Internal Audit Function assists the ARMC and the Board to carry out independent assessment on the internal control systems and the governance practices. The internal audit reports are issued to highlight significant findings and deficiency requiring management's attention and improvement. Follow-up review is conducted subsequently to ensure the appropriate corrective action plans are implemented;

- Documented standard operating guidelines and procedures for operation departments. These guidelines and procedures are subject to review and update by the operational units and management regularly; and

- Implementation of Covid-19 health and safety preventive and detective standard operating procedures in accordance with the authorities' requirements. These include the use of My Sejahtera application, social distancing, sanitisation, temperature reading and compulsory wearing of face masks in the workplace and public area.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa's Guidelines, management is responsible to the Board for:

- Identifying risks relevant to the Group's business objectives, and the achievement of its objectives and strategies;

- Designing, implementing and monitoring the risk management actions in accordance with the Group's objective and risk appetite;

- Providing assurance on the effectiveness and adequacy of the risk management and internal control systems in managing risks; and

- Monitoring and reporting to the Board on significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and strategies.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
cont'd

MANAGEMENT RESPONSIBILITIES AND ASSURANCE *(cont'd)*

When producing this Statement, the Board has received assurance from the Managing Director, Executive Director and the Financial Controller that to the best of their knowledge that the Group's risk management and internal control systems are adequate and effective, in all material aspects.

BOARD ASSURANCE AND LIMITATION

The Board recognises that the system of risk management and internal control should be continuously improved, consistent with the evolving business and operating environment. Nonetheless, it should be noted that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, the systems of risk management and internal control in the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

For the financial period under review, the Board is satisfied that the existing level of risk management and internal control systems are adequate and effective under the present business and cash flow positions of the Group.

REVIEW OF STATEMENT ON INTERNAL CONTROL BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of Main Market Listing Requirement of Bursa Securities and AAPG 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control, issued by Malaysia Institute of Accountants, the External Auditors have performed a limited assurance engagement on the Statement on Risk Management and Internal Control for the inclusion in this Annual Report for the financial period ended 30 June 2021.

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board and management in reviewing the adequacy and integrity of the risk management and effectiveness of the systems of risk management and internal control of the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 18 October 2021.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. UTILISATION OF PROCEEDS

(i) On 6 November 2019, the Company has completed private placement of up to 29,480,000 new ordinary shares at issue price of RM0.0841 per share which raised RM2,479,268. The utilisation of the proceeds raised is as follows:

Purpose	Proposed utilisation of proceeds RM'000	Utilised from 06.11.2019 to 23.09.2021 RM'000	Actual utilisation as at 23.09.2021 RM'000	Balance to be utilised RM'000	Utilisation timeframe
Repayment of bank borrowings	772	772	772	-	
Working capital	327	327	327	-	
Property development activities	1,280	507	507	773	Within 12 months
Expenses related to Private Placement	100	100	100	-	
	2,479	1,706	1,706	773	

(ii) For the period from financial period 2021 to the date of this report, the Company has completed the following fund raising exercises on:

- 15 June 2021 – 10% private placement of 32,428,157 new ordinary shares at issue price of RM0.1233 per share;
- 13 August 2021 – 20% share issuance of 64,856,312 new ordinary shares at issue price of RM0.1059 per share;

which raised a total of RM10,866,675. The utilisation of the proceeds raised is as follows:

Purpose	10% private placement	20% share issuance	Proposed utilisation of proceeds RM'000	Utilised from 15.06.2021 to 23.09.2021 RM'000	Actual utilisation as at 23.09.2021 RM'000	Balance to be utilised RM'000	Utilisation timeframe
Repayment of bank borrowings	2,487	1,504	3,991	3,991	3,991	-	Within 12 months
Working capital	1,416	1,189	2,605	1,708	1,708	897	Within 12 months
Property development activities	-	4,000	4,000	-	-	4,000	Within 12 months
Expenses related to Private Placement	95	175	270	270	270	-	Within 1 months
	3,998	6,868	10,866	5,969	5,969	4,897	

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD
cont'd

2. SHARE BUY-BACKS

There was no share buy-backs effected during the financial period ended 30 June 2021.

3. OPTIONS OR CONVERTIBLE SECURITIES

There were no options or convertible securities issued by the Company during the financial period ended 30 June 2021.

4. DEPOSITORY RECEIPT PROGRAMME

There were no depository receipt programme sponsored by the Company during the financial period ended 30 June 2021.

5. SANCTIONS AND/OR PENALTIES

There were no sanctions and/or penalties imposed on the Company, its subsidiaries, Directors and management by the relevant regulatory bodies which have material impact on the operations or financial position of the Group during the financial period ended 30 June 2021.

6. NON-AUDIT FEES

The non-audit fees paid or payable to the external Auditors and its affiliates by the Group during the financial period ended 30 June 2021 is amounted to RM6,000.00.

7. VARIATION IN RESULTS

There was no variation in the financial results of 10% or more from unaudited results announced.

8. MATERIAL CONTRACTS

On 18 August 2020, the Company announced that its wholly-owned subsidiary, FBO Land (Setapak) Sdn. Bhd. ("FBO") has entered into a conditional sale and purchase agreement ("CSPA") with Inland World Sdn. Bhd. ("IWSB"). The CSPA lays out the agreement for FBO to purchase all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of IWSB under the Joint Venture Agreement (as defined herein) which are to be transferred to and/or assumed by FBO pursuant to the CSPA, for a purchase consideration of RM8.0 million.

For information, IWSB has on 18 September 2018 enter into a Joint Venture Agreement with Sabah Urban Development Corporation Sdn. Bhd. ("SUDC") ("Joint Venture Agreement") to collaborate in the development of a 14,059.82 square feet land, situated in Damai, in the district of Kota Kinabalu, Sabah, which is managed by SUDC on behalf of Perbadanan Pembangunan Ekonomi Sabah (the registered owner of the land) ("SEDCO"). In the Joint Venture Agreement, IWSB will develop, construct and manage a building consisting of, inter alia a 16-storey building with 2-storey shoplot, 5-storey carpark, 1-storey private facilities and 8-storey commercial units ("Project") on the said piece of land.

On 21 October 2021, the Company announced the CSPA has become unconditional and that the parties to the CSPA have agreed to vary the payment obligations in the CSPA in that the obligation of Purchaser to pay the Purchase Consideration be extended to on or before 31 March 2022.

Notwithstanding the above, the CSPA is deemed completed on 21 October 2021.

ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

cont'd

9. PROFIT GUARANTEES

The Group did not provide or receive any profit guarantee during the financial period ended 30 June 2021.

10. CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans by the Group involving the interests of Directors and major shareholders during the financial period ended 30 June 2021.

11. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Company did not enter into any recurrent related party transactions during the financial period ended 30 June 2021.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 June 2021.

CHANGE OF FINANCIAL YEAR END

During the financial period, the Group and the Company changed their financial year end from 31 December to 30 June and made up their financial statements for the 18 months period from 1 January 2020 to 30 June 2021. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 13 to the financial statements.

There have been no significant changes in the nature of these activities during the financial period other than the establishment of a platform by a subsidiary that act as an agent on behalf of the vendors, reseller or in any other capacity to facilitate, process, resell and conclude the order for the subsidiary or other vendors consumers.

RESULTS

	Group RM	Company RM
Loss for the financial period	(100,417,954)	(101,096,149)
Attributable to:		
Owners of the Company	(100,417,954)	(101,096,149)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial period ended 30 June 2021.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps 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 had satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

DIRECTORS' REPORT
cont'd

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

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

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial period.

In the opinion of the directors, no contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial period which will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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.

ITEMS OF MATERIAL AND UNUSUAL NATURE

Other than as disclosed in Notes 8 and 33 to the financial statements, in the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES AND DEBENTURES

During the financial period, the Company issued 32,428,157 new ordinary shares at a price of RM0.1233 per ordinary share pursuant to private placement.

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

There were no issue of debentures during the financial period.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial period.

DIRECTORS

The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Lee Chee Kiang *	
Masleena Binti Zaid	
Mohamed Akwal Bin Sultan Mohamad	
Tan Chin Hong*	
Phang Kiew Lim*	(Appointed on 20 February 2020)
Ong Lu Yuan	(Appointed on 17 September 2020)
Dato' Lee Wai Mun	(Appointed on 9 August 2021)
Petrus Gimbad	(Resigned on 20 June 2020)
Eric Wee Ei-Mas*	(Resigned on 9 August 2021)

* Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial period and during the period from the end of the financial period to the date of the report are:

Dato' Tan Kok Hooi
Tan Chin Hao

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company and its related corporations during the financial period were as follows:

DIRECTORS' REPORT
cont'd

DIRECTORS' INTERESTS *(cont'd)*

Interests in the Company

	Number of ordinary shares			
	At 1.1.2020	**Bought**	**Sold**	**At 30.6.2021**
Direct interests:				
Lee Chee Kiang	25,236,200	-	-	25,236,200
Eric Wee Ei-Mas	41,000	-	-	41,000
Indirect interests:				
Tan Chin Hong *	18,333,928	-	-	18,333,928

* Share held through corporations and siblings
# As at 18 October 2021, Dato' Lee Wai Mun had indirect interests of 14,044,000 shares held through a company in which he had substantial financial interests.

Other than as stated above, none of the other directors in office at the end of the financial period had any interest in ordinary shares or debentures of the Company and its related corporations during the financial period.

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 emoluments received or due and receivable, by the directors as disclosed in Note 8(a) 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.

Neither during, nor at the end of the financial period, was the Company a party to any arrangements where the object is 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.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, there was no indemnity given to or insurance effected for any directors and officers of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 13 to the financial statements.

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events during and subsequent to the end of the financial period are disclosed in Note 33 to the financial statements.

DIRECTORS' REPORT
cont'd

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 8 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

....

LEE CHEE KIANG
Director

....

TAN CHIN HONG
Director

Kuala Lumpur

Date: 18 October 2021

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	Group Financial period from 1.1.2020 to 30.6.2021 RM	Group Financial year from 1.1.2019 to 31.12.2019 RM	Company Financial period from 1.1.2020 to 30.6.2021 RM	Company Financial year from 1.1.2019 to 31.12.2019 RM
Revenue	5	20,899,378	18,074,088	709,989	419,623
Other operating income		1,535,657	1,096,365	19,133	956,905
Consumables used	16	(1,848,670)	(1,589,143)	-	-
Cost of sales of completed properties	16	(307,064)	(775,429)	-	-
Cost of sales of property development units	16	(2,911,219)	(667,006)	-	-
Depreciation of property, plant and equipment	11	(5,735,040)	(4,318,866)	(104,414)	(144,448)
Directors' remuneration	28(c)	(2,360,554)	(1,183,511)	(2,072,640)	(988,855)
Fair value loss on investment properties	12	(19,998,300)	(2,520,000)	-	-
Finance costs, net of finance income	7	(4,724,384)	(4,335,588)	(2,165,895)	(1,623,655)
Gain on disposal of property, plant and equipment		53,968	36,000	53,968	36,000
Gain on lease modification		763	-	-	-
Impairment losses on:					
- amounts owing by subsidiaries	18(c)	-	-	(737,613)	(628,153)
- investment in subsidiaries	13	-	-	(94,403,536)	(7,196,863)
- property, plant and equipment	11	(27,332,041)	(1,138,152)	-	-
- trade receivables	18(a)	-	(19,617)	-	-
- other receivables	18(b)	-	(7,410)	-	-
Inventories written down	16	(43,877,604)	-	-	-
Inventories written off	16	(7,114)	-	-	-
Property, plant and equipment written off		(183)	-	(183)	-
Rent concession income		1,000	-	-	-
Reversal of impairment losses on:					
- trade receivables	18(a)	6,619	102,597	-	-
- other receivables	18(b)	20,817	8,488	-	-
Reversal of provision for furniture, fittings and equipments	25	-	158,447	-	-
Staff costs:					
- hotel operations		(6,287,365)	(4,755,441)	-	-
- others		(2,047,452)	(1,585,443)	(1,074,780)	(854,127)
Write-back of payables		-	212,077	-	-
Other operating expenses		(12,412,908)	(10,125,743)	(1,320,178)	(1,569,200)
Loss before tax	8	(107,331,696)	(13,333,287)	(101,096,149)	(11,592,773)
Income tax credit	9	6,913,742	543,555	-	-
Loss for the financial period/year		(100,417,954)	(12,789,732)	(101,096,149)	(11,592,773)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

		Group		Company	
		Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	Note	**RM**	**RM**	**RM**	**RM**
Other comprehensive (loss)/income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Arising from revaluation of property, plant and equipment		(1,013,608)	488,814	-	-
Fair value gain/(loss) on equity instrument designated at fair value through other comprehensive income		137,093	(26,584)	137,093	(26,584)
Other comprehensive (loss)/income for the financial period/year		(876,515)	462,230	137,093	(26,584)
Total comprehensive loss for the financial period/year		(101,294,469)	(12,327,502)	(100,959,056)	(11,619,357)
Loss attributable to:					
Owners of the Company		(100,417,954)	(12,789,732)	(101,096,149)	(11,592,773)
Total comprehensive loss attributable to:					
Owners of the Company		(101,294,469)	(12,327,502)	(100,959,056)	(11,619,357)
Loss per share attributable to owners of the Company (sen)					
Basic loss per share	10	(30.88)	(4.64)		
Diluted loss per share	10	(30.88)	(4.64)		

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

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		Group			Company		
		30.6.2021	31.12.2019	1.1.2019	30.6.2021	31.12.2019	1.1.2019
	Note	RM	RM	RM	RM	RM	RM
			(Restated)	(Restated)			
ASSETS							
Non-current assets							
Property, plant and equipment	11	70,798,192	104,828,521	108,964,980	15,723	140,082	284,402
Investment properties	12	62,593,700	82,592,000	85,112,000	-	-	-
Investment in subsidiaries	13	-	-	-	95,891,075	190,294,611	197,491,474
Investment in an associate	14	-	-	-	-	-	-
Other investment	15	1,674,911	1,537,818	1,564,402	1,674,911	1,537,818	1,564,402
Financing receivables	17	4,162	-	-	-	-	-
Total non-current assets		135,070,965	188,958,339	195,641,382	97,581,709	191,972,511	199,340,278
Current assets							
Inventories	16	27,643,067	74,640,043	75,465,525	-	-	-
Tax assets		572,189	572,189	1,033,854	-	-	-
Financing receivables	17	5,004	-	-	-	-	-
Trade and other receivables	18	2,003,398	1,014,512	2,419,182	41,126	46,603	44,247
Deposits placed with licensed banks	19	4,310,714	4,627,629	3,812,818	-	-	-
Cash and bank balances	20	2,113,808	3,216,652	2,126,164	400,717	949,944	298,941
Total current assets		36,648,180	84,071,025	84,857,543	441,843	996,547	343,188
TOTAL ASSETS		171,719,145	273,029,364	280,498,925	98,023,552	192,969,058	199,683,466

STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2021
cont'd

		Group			Company		
		30.6.2021	**31.12.2019**	**1.1.2019**	**30.6.2021**	**31.12.2019**	**1.1.2019**
	Note	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
			(Restated)	**(Restated)**			
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	21	133,877,051	129,878,659	123,168,989	133,877,051	129,878,659	123,168,989
Other reserves	22	111,453,038	112,329,553	111,867,323	111,453,038	111,315,945	111,342,529
Accummulated losses		(174,077,275)	(73,659,321)	(60,869,589)	(171,709,440)	(70,613,291)	(59,020,518)
TOTAL EQUITY		71,252,814	168,548,891	174,166,723	73,620,649	170,581,313	175,491,000
Non-current liabilities							
Loans and borrowings	23	46,535,540	26,205,068	28,800,730	-	19,822	97,539
Deferred tax liabilities	24	4,048,734	11,015,824	11,506,031	-	-	-
Total non-current liabilities		50,584,274	37,220,892	40,306,761	-	19,822	97,539
Current liabilities							
Loans and borrowings	23	9,966,942	33,354,906	30,524,998	-	74,675	108,602
Provisions for liabilities	25	1,812,000	1,812,000	1,970,447	-	-	-
Trade and other payables	26	35,098,734	28,113,240	28,963,507	24,402,903	22,293,248	23,986,325
Contract liabilities	27	3,004,381	3,979,435	4,566,489	-	-	-
Total current liabilities		49,882,057	67,259,581	66,025,441	24,402,903	22,367,923	24,094,927
TOTAL LIABILITIES		100,466,331	104,480,473	106,332,202	24,402,903	22,387,745	24,192,466
TOTAL EQUITY AND LIABILITIES		171,719,145	273,029,364	280,498,925	98,023,552	192,969,058	199,683,466

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

	Note	Attributable to Owners of the Company					
		Share Capital	Capital Reserve	Revaluation Reserve	Fair Value Reserve of Financial Assets at FVOCI	Accumulated Losses	Total Equity
		RM	RM	RM	RM	RM	RM
Group							
At 31 December 2019							
- As previously reported		129,878,659	110,238,037	1,013,608	1,077,908	(71,847,321)	170,360,891
- Prior year adjustment	34(b)	-	-	-	-	(1,812,000)	(1,812,000)
Restated balance at 31 December 2019		129,878,659	110,238,037	1,013,608	1,077,908	(73,659,321)	168,548,891
Total comprehensive loss for the financial period							
Loss for the financial period		-	-	-	-	(100,417,954)	(100,417,954)
Other comprehensive income for the financial period		-	-	(1,013,608)	137,093	-	(876,515)
Total comprehensive loss		-	-	(1,013,608)	137,093	(100,417,954)	(101,294,469)
Transaction with owners							
Issue of ordinary shares pursuant to private placement	21	3,998,392	-	-	-	-	3,998,392
Total transaction with owners		3,998,392	-	-	-	-	3,998,392
At 30 June 2021		133,877,051	110,238,037	-	1,215,001	(174,077,275)	71,252,814

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

		Attributable to Owners of the Company					
	Note	Share Capital RM	Capital Reserve RM	Revaluation Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Accumulated Losses RM	Total Equity RM
Group							
At 1 January 2019							
- As previously reported		123,168,989	110,238,037	524,794	1,104,492	(59,057,589)	175,978,723
- Prior year adjustment	34(b)	-	-	-	-	(1,812,000)	(1,812,000)
Restated balance at 1 January 2019		123,168,989	110,238,037	524,794	1,104,492	(60,869,589)	174,166,723
Total comprehensive loss for the financial year							
Loss for the financial year		-	-	-	-	(12,789,732)	(12,789,732)
Other comprehensive income/(loss) for the financial year		-	-	488,814	(26,584)	-	462,230
Total comprehensive loss		-	-	488,814	(26,584)	(12,789,732)	(12,327,502)
Transaction with owners							
Issue of ordinary shares pursuant to private placement	21	6,709,670	-	-	-	-	6,709,670
Total transaction with owners		6,709,670	-	-	-	-	6,709,670
At 31 December 2019		129,878,659	110,238,037	1,013,608	1,077,908	(73,659,321)	168,548,891

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

	Note	Share Capital RM	Capital Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Accumulated Losses RM	Total Equity RM
		Attributable to Owners of the Company				
Company						
At 31 December 2019		129,878,659	110,238,037	1,077,908	(70,613,291)	170,581,313
Total comprehensive loss for the financial period						
Loss for the financial period		-	-	-	(101,096,149)	(101,096,149)
Other comprehensive loss for the financial period		-	-	137,093	-	137,093
Total comprehensive loss		-	-	137,093	(101,096,149)	(100,959,056)
Transaction with owners						
Issue of ordinary shares pursuant to private placement	21	3,998,392	-	-	-	3,998,392
Total transaction with owners		3,998,392	-	-	-	3,998,392
At 30 June 2021		133,877,051	110,238,037	1,215,001	(171,709,440)	73,620,649
At 1 January 2019		123,168,989	110,238,037	1,104,492	(59,020,518)	175,491,000
Total comprehensive loss for the financial year						
Loss for the financial year		-	-	-	(11,592,773)	(11,592,773)
Other comprehensive loss for the financial year		-	-	(26,584)	-	(26,584)
Total comprehensive loss		-	-	(26,584)	(11,592,773)	(11,619,357)
Transaction with owners						
Issue of ordinary shares pursuant to private placement	21	6,709,670	-	-	-	6,709,670
Total transaction with owners		6,709,670	-	-	-	6,709,670
At 31 December 2019		129,878,659	110,238,037	1,077,908	(70,613,291)	170,581,313

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021

		Group		Company	
		Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	Note	RM	RM	RM	RM
			(Restated)		(Restated)
Cash flows from operating activities:					
Loss before tax		(107,331,696)	(13,333,287)	(101,096,149)	(11,592,773)
Adjustments for:					
Depreciation of property, plant and equipment	11	5,735,040	4,318,866	104,414	144,448
Fair value loss on investment properties	12	19,998,300	2,520,000	-	-
Finance costs	7	4,935,357	4,569,982	2,165,895	1,623,655
Finance income	7	(210,973)	(234,394)	-	-
Gain on disposal of property, plant and equipment		(53,968)	(36,000)	(53,968)	(36,000)
Gain on lease modification		(763)	-	-	-
Impairment losses on:					
- amount owing by subsidiaries	18(c)	-	-	737,613	628,153
- investments in subsidiaries	13	-	-	94,403,536	7,196,863
- property, plant and equipment	11	27,332,041	1,138,152	-	-
- trade receivables	18(a)	-	19,617	-	-
- other receivables	18(b)	-	7,410	-	-
Property, plant and equipment written off		183	-	183	-
Inventories written down		43,877,604	-	-	-
Inventories written off		7,114	-	-	-
Rent concession income		(1,000)			
Reversal of impairment losses:					
- trade receivables	18(a)	(6,619)	(102,597)	-	-
- other receivables	18(b)	(20,817)	(8,488)	-	-
Reversal of provision for furnitures, fittings and equipments	25	-	(158,447)	-	-
Write-back of payables		-	(212,077)	-	-
Operating loss before changes in working capital		(5,740,197)	(1,511,263)	(3,738,476)	(2,035,654)
Changes in working capital:					
Contract liabilities		(975,054)	(587,054)	-	-
Inventories		3,112,258	825,482	-	-
Trade and other receivables		(970,616)	1,488,728	5,477	(2,356)
Trade and other payables		5,025,494	(638,190)	57,206	65,623
Net cash from/(used in) operations, carried forward		451,885	(422,297)	(3,675,793)	(1,972,387)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

		Group		Company	
		Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	Note	RM	RM	RM	RM
			(Restated)		(Restated)
Net cash from/(used in) operations, brought forward		451,885	(422,297)	(3,675,793)	(1,972,387)
Interest paid		(242,583)	(202,014)	(2,471)	(7,390)
Interest received		6,185	4,612	-	-
Income tax refunded		-	461,665	-	-
Net cash from/(used in) operating activities		215,487	(158,034)	(3,678,264)	(1,979,777)
Cash flows from investing activities:					
Advances to subsidiaries		-	-	(737,613)	(628,153)
Change in pledged deposits		316,915	(814,811)	-	-
Interest received		204,788	229,782	-	-
Proceeds from disposal of property, plant and equipment		80,946	36,000	80,946	36,000
Purchase of property, plant and equipment	(a)	(107,446)	(410,406)	(7,216)	(128)
Net cash from/(used in) investing activities		495,203	(959,435)	(663,883)	(592,281)
Cash flows from financing activities:	(b)				
Advances from directors		1,960,000	-	1,960,000	-
Advances from subsidiaries		-	-	92,449	(1,758,700)
Drawdown of term loans		20,329,451	659,941	-	-
Interest paid		(4,692,774)	(4,367,968)	(2,163,424)	(1,616,265)
Proceeds from issuance of shares	21	3,998,392	6,709,670	3,998,392	6,709,670
Repayments of term loans		(1,233,981)	(3,252,498)	-	-
Repayments of lease liabilities		(158,977)	(167,840)	(94,497)	(111,644)
Net cash from/(used in) financing activities		20,202,111	(418,695)	3,792,920	3,223,061
Net increase/(decrease) in cash and cash equivalents		20,912,801	(1,536,164)	(549,227)	651,003
Cash and cash equivalents at the beginning of the financial period/year		(26,553,637)	(25,017,473)	949,944	298,941
Cash and cash equivalents at the end of the financial period/year		(5,640,836)	(26,553,637)	400,717	949,944

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

		Group		Company	
		Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	Note	RM	RM	RM	RM
Analysis of cash and cash equivalents					
Cash and bank balances	20	1,865,740	2,971,704	400,717	949,944
Cash held under Housing Development Account	20	248,068	244,948	-	-
Deposits placed with licensed banks	19	4,310,714	4,627,629	-	-
		6,424,522	7,844,281	400,717	949,944
Bank overdrafts	23	(7,754,644)	(29,770,289)	-	-
		(1,330,122)	(21,926,008)	400,717	949,944
Less: Deposits pledged	19	(4,310,714)	(4,627,629)	-	-
		(5,640,836)	(26,553,637)	400,717	949,944

(a) Purchase of property, plant and equipment:

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM	RM	RM
Purchase of property, plant and equipment	107,446	778,397	7,216	128
Financed by way of lease arrangements	-	(367,991)	-	-
Cash payments on purchase of property, plant and equipment	107,446	410,406	7,216	128

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2021
cont'd

(b) Reconciliations of liabilities arising from financing activities:

	1 January 2020 RM	Cash Flows RM	Non-cash Lease modification RM	30 June 2021 RM
Group				
Amounts owing to directors	10,580,000	1,960,000	-	12,540,000
Term loans	29,383,393	19,095,470	-	48,478,863
Lease liabilities	406,292	(158,977)	21,660	268,975
	29,789,685	18,936,493	21,660	48,747,838
Company				
Amounts owing to directors	6,580,000	1,960,000	-	8,540,000
Amounts owing to subsidiaries	14,686,146	92,449	-	14,778,595
Lease liabilities	94,497	(94,497)	-	-
	21,360,643	1,957,952	-	23,318,595

	1 January 2019 RM	Cash Flows RM	Non-cash Acquisition RM	31 December 2019 RM
Group				
Amounts owing to directors	10,580,000	-	-	10,580,000
Term loans	31,975,950	(2,592,557)	-	29,383,393
Lease liabilities	206,141	(167,840)	367,991	406,292
	32,182,091	(2,760,397)	367,991	29,789,685
Company				
Amounts owing to directors	6,580,000	-	-	6,580,000
Amounts owing to subsidiaries	16,444,846	(1,758,700)	-	14,686,146
Lease liabilities	206,141	(111,644)	-	94,497
	23,230,987	(1,870,344)	-	21,360,643

(c) **Total cash outflows for leases**

During the financial period, the Group and the Company had total cash outflows for leases of RM190,529 (31.12.2019: RM301,717) and RM96,968 (31.12.2019: RM232,334) respectively.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Eastland Equity Bhd. ("the Company") is a public limited company, incorporated and domiciled in Malaysia and listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office of the Company is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The principal place of business of the Company is located at Suite 8-4, 4th Floor, Medan Makmur, Jalan 9/23A, Off Jalan Usahawan, Setapak, 53300 Kuala Lumpur, Malaysia. The Company is principally involved in investment holding.

The principal activities of its subsidiaries are disclosed in Note 13. There have been no significant changes in the nature of these activities during the financial period other than the establishment of a platform by a subsidiary that act as an agent on behalf of the vendors, reseller or in any other capacity to facilitate, process, resell and conclude the order for the subsidiary or other vendors consumers.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 October 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs for the current financial period:

Amendments/Improvements to MFRSs	
MFRS 3	Business Combinations
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases*
MFRS 101	Presentation of Financial Statements
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 139	Financial Instruments: Recognition and Measurement

* Early adopted the amendments to MFRS 16 *Leases* issued by the Malaysian Accounting Standards Board ("MASB") on 5 June 2020 or/and 6 April 2021.

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

2. BASIS OF PREPARATION *(cont'd)*

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 17	Insurance Contracts	1 January 2023
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023#
MFRS 4	Insurance Contracts	1 January 2021
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 January 2021/ 1 January 2022^
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2023
MFRS 112	Income Taxes	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ *The Annual Improvements to MFRS Standards 2018-2020*
# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

2. BASIS OF PREPARATION *(cont'd)*

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective *(cont'd)*

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs are summarised below.

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 112 Income Taxes

The amendments specify how an entity should account for deferred tax on transactions such as leases and decommissioning obligation.

In specified circumstances, MFRS 112 exempts an entity from recognising deferred tax when it recognises assets or liabilities for the first time. There had been some uncertainties about whether the exemption from recognising deferred tax applied to transactions such as leases and decommissioning obligations – transactions for which an entity recognises both an asset and a liability. The amendments clarify that the exemption does not apply and that entity is required to recognise deferred tax on such transactions.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

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

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.1 Basis of consolidation *(cont'd)*

(a) Subsidiaries and business combination *(cont'd)*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Associates

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

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

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

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. 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.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(c) Transactions eliminated on consolidation

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

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.14(b).

3.3 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics in the property development business if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

(a) Revenue from hotel operations

Hotel room revenue is recognised at a point in time when the services are rendered to the customer over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits until services are provided to the customer.

Revenue from the sale of goods or services is recognised at a point in time when the food and beverage, entertainment and retail goods is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods.

(b) Rental income

Rental income from investment properties is recognised on a straight-line basis over the term of the lease.

(c) Property development

The Group develops and sell residential and commercial properties. Contracts with customers may include multiple distinct promises to customers and therefore accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost plus margin approach.

Revenue from residential and commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred over time as 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. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of property development costs incurred for work performed to date bear to the estimated total property development costs (an input method).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.3 Revenue and other income *(cont'd)*

(c) Property development *(cont'd)*

Revenue from commercial properties are recognised as and when the control of the asset is transferred to the customer. Based on the terms of the contract and the laws that apply to the contract, control of the asset is transferred at a point in time as the Group's performance does not create an asset with an alternative use to the Group but the Group does not have an enforceable right to payment for performance completed to date. Revenue is recognised at a point in time when the legal title has passed to the customer.

The consideration is due based on the scheduled payments in the contract, therefore, no element of financing is deemed present. When a particular milestone is reached in excess of the scheduled payments, a contract asset will be recognised for the excess of revenue recognised to date under the input method over the progress billings to-date and include deposits or advances received from customers. When the progress billings to-date and include deposits or advances received from customers exceeds revenue recognised to date then the Group recognises a contract liability for the difference.

Consistent with market practice, the Group collects deposit from customers for sale of properties. A contract liability is recognised for the customer deposits as the Group has obligations to transfer the goods or services to the customer in respect of deposits received. Customer deposits would be recognised as revenue upon transfer of goods or services to the customer.

(d) Other income

- Administrative charges receivable is recognised on an accrual basis.
- Interest income is recognised using the effective interest method.

(e) Management fee

Management fee is recognised upon completion of services rendered in accordance with the terms of the agreement entered into.

3.4 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plan

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.5 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.5 Borrowing costs *(cont'd)*

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, 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.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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.

3.6 Income tax

Income tax expense in profit or loss comprises current and deferred tax. Current 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.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.6 Income tax *(cont'd)*

(b) Deferred tax *(cont'd)*

Where investment properties are carried at fair value in accordance with the accounting policy as disclosed in Note 3.9, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within the business model whose objective is to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.7 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment were initially stated at cost. Land and building were subsequently shown at market value, based on valuations of external independent valuers, less subsequent accumulated depreciation and impairment losses, if any. All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.7 Property, plant and equipment *(cont'd)*

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

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

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Building	2%
Plant and machinery	5% to 10%
Motor vehicles	10%
Furniture, fittings and renovations	5% to 20%
Computers and office equipment	5% to 20%

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

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

Property, plant and equipment (other than freehold land) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b).

Freehold land and building are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on building and any accumulated impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the freehold land and building does not differ materially from the carrying amount. Any accumulated depreciation as at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If an asset's carrying amount is decreased as a result of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Leases

(a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in Note 11(e) and lease liabilities in Note 23(b).

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

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(b) to the financial statements.

<u>Lease liability</u>

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.8 Leases *(cont'd)*

(b) Lessee accounting *(cont'd)*

Lease liability *(cont'd)*

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When applies contract includes lease and non-lease components, the Group applies MFRS 15 *Revenue from Contracts* with Customers to allocate the consideration under the contract to each component.

3.9 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.9 Investment properties *(cont'd)*

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset 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 carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

3.10 Inventories

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

Costs of food and beverages include purchase price and the incidental expenses incurred. Costs of completed properties comprises all direct construction cost and land cost, and direct development expenditure which is determined by the specific identification 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.

Property under development

Cost includes:

- leasehold rights for land
- amounts paid to contractors for construction
- borrowing costs, planning and design costs, costs for site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs

The cost of inventory recognised in profit or loss is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative sale value of the property sold.

3.11 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.14(a).

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.

3.12 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Financial instruments

Financial instruments 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 instruments.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

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

- Financial assets at amortised cost
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The measurement which the Group and the Company classify their debt instruments:

- **Amortised cost**

  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.14(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Financial instruments *(cont'd)*

(a) Subsequent measurement *(cont'd)*

The Group and the Company categorise the financial instruments as follows: *(cont'd)*

(i) Financial assets *(cont'd)*

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities at amortised cost.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

(b) Financial guarantee contracts

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

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

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.13 Financial instruments *(cont'd)*

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(e) Offsetting of financial instruments

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.14 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI) and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 *Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Impairment of assets *(cont'd)*

(a) Impairment of financial assets *(cont'd)*

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12-month expected credit losses:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, the Group applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

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

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.14 Impairment of assets *(cont'd)*

(a) Impairment of financial assets *(cont'd)*

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the debtor;
- a breach of contract, such as a default of past due event;
- the lender(s) of the debtor, for economic or contractual reasons relating to the debtor's financial difficulty, having granted to the debtor a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories and investment properties measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

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 non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.15 Share capital

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.16 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date 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.

3.17 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. All Executives Directors of the Group, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.18 Fair value measurements

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

For a 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 and the Company use 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 and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(cont'd)*

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

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

3.20 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Funding requirements and ability to meet short-term obligations

The Group and the Company apply judgement in determining the funding requirements and their ability to meet short term obligations. The Group and the Company consider the facts and circumstances and makes assumptions about the future, including the cash flows to be generated from the operations of the Group and the Company and the available financing facilities.

The details of funding requirements and ability to meet short term obligations are disclosed in Note 29(b)(ii).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS *(cont'd)*

(b) Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged external valuer to determine the fair values. The valuation methods adopted by the valuer include sales comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, income approach, being the projected net income and other benefits that are the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property. Judgement is made in determining the appropriate valuation methods and the key assumptions used in the valuations, including the expected impact from COVID-19 pandemic. The COVID-19 pandemic might have resulted in less frequent comparable transactions or market prices become less readily available which would increase uncertainty in the measurement of fair value. Any changes in these assumptions will have an impact on the carrying amounts of the investment properties.

The carrying amounts of the investment properties are disclosed in Note 12.

(c) Valuation of property, plant and equipment

Freehold land and building are carried at revalued amount. Revaluation of these assets is based on valuation performed by independent professional property valuers. The independent professional property valuers may exercise judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in their valuation process. Judgement has been applied in estimating prices for less readily observable external parameters, including the impact expected from COVID-19 pandemic. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates. The COVID-19 pandemic also might have resulted in less frequent comparable transactions or market prices become less readily available which would increase uncertainty in the measurement of fair value. Any changes in these assumptions will have an impact on the carrying amounts of the revalued properties.

The carrying amounts of the property, plant and equipment are disclosed in Note 11.

(d) Net realisable value of inventories

The inventories are measured at the lower of cost and net realisable value. The determination of the net realisable value is subject to judgement due to a range of potential sales prices and assumptions around the method are involved.

The carrying amounts of the inventories are disclosed in Note 16.

(e) Property development revenue and expenses

The Group recognised property development revenue and expenses in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

The carrying amounts of property development costs and contract liabilities are disclosed in Notes 16 and 27.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

5. REVENUE

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Revenue from contract customers:				
Over time				
Property development	2,912,954	771,139	-	-
Interest income	50	-	-	-
At a point in time				
Hotel operations	7,899,645	7,205,912	-	-
Management fees	-	-	709,989	419,623
Sale of goods and services	12,688	-	-	-
Other income from hotel operations	5,335,857	5,292,678	-	-
Sale of completed properties	502,000	1,056,604	-	-
Revenue from other source:				
Rental income from investment property	4,236,184	3,747,755	-	-
	20,899,378	18,074,088	709,989	419,623

Transaction price allocated to the remaining performance obligations

As of 30 June 2021, the aggregate amount of the transaction price allocated to the remaining performance obligation is RM1,499,780 and the entity will recognise this revenue as the building is completed, which is expected to occur over the next 12–18 months.

6. SEGMENTAL INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by all executive directors for the purpose of making decisions about resource allocation and performance assessment.

(a) General information

The Group's operating business is classified according to the following operating divisions:

(i) Investment holding;
(ii) Leasing and financing;
(iii) Hospitality;
(iv) Investment properties;
(v) Property development; and
(vi) Others - inactive companies

6. SEGMENTAL INFORMATION *(cont'd)*

(b) Measurement of reportable segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment results is measured based on segment profit before tax that are reviewed by all executive directors. There are no significant changes from prior financial year in the measurement methods used to determine reported segment results.

Segment assets

The total of segment assets are measured based on all assets of a segment other than current and deferred tax assets.

Segment liabilities

The total of segment liabilities are measured based on all liabilities of a segment other than current and deferred tax liabilities.

(c) Geographical Information

No segmental information by geographical segment has been presented as the Group principally operates in Malaysia.

(d) Major customer

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

6. **SEGMENTAL INFORMATION** *(cont'd)*

The segmental information of the Group are as follows:

Group 30.6.2021	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Revenue:									
Revenue from external customers		-	50	13,235,502	4,236,184	3,414,954	12,688	-	20,899,378
Inter-segment revenue	(a)	709,989	-	12,272	70,226	-	-	(792,487)	-
		709,989	50	13,247,774	4,306,410	3,414,954	12,688	(792,487)	20,899,378
Results:									
Included in the measure of segment loss are:									
Depreciation of property, plant and equipment		(104,414)	-	(4,786,591)	(617,613)	(226,422)	-	-	(5,735,040)
Fair value loss on investment properties		-	-	-	(19,998,300)	-	-	-	(19,998,300)
Finance income		-	-	-	-	210,973	-	-	210,973
Finance costs		(2,165,895)	-	(10,178)	(211,031)	(2,548,253)	-	-	(4,935,357)
Gain on disposal of property, plant and equipment		53,968	-	-	-	-	-	-	53,968
Gain on lease modification		-	-	-	-	763	-	-	763
Impairment losses on:									
- amounts owing by subsidiaries		(737,613)	-	-	-	-	-	737,613	-
- investment in subidiaries		(94,403,536)	-	-	-	-	-	94,403,536	-
- property, plant and equipment		-	-	(27,332,041)	-	-	-	-	(27,332,041)

6. SEGMENTAL INFORMATION *(cont'd)*

Group 30.6.2021	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Included in the measure of segment loss are: (cont'd)									
Inventories written down		-	-	-	-	(43,877,604)	-	-	(43,877,604)
Inventories written off		-	-	(7,114)	-	-	-	-	(7,114)
Property, plant and equipment written off		(183)	-	-	-	-	-	-	(183)
Rent concession income		-	-	-	-	1,000	-	-	1,000
Reversal of impairment losses:									
- trade receivables		-	-	-	-	6,619	-	-	6,619
- other receivables		-	-	-	-	20,817	-	-	20,817
Unallocated corporate expenses		(4,470,060)	(17,406)	(13,451,878)	(5,435,369)	(4,019,967)	(37,382)	792,487	(26,639,575)
Segment loss		(101,117,744)	(17,356)	(32,340,028)	(21,955,903)	(47,017,120)	(24,694)	95,141,149	(107,331,696)
Income tax credit		-	-	6,913,742	-	-	-	-	6,913,742
Loss for the financial period		(101,117,744)	(17,356)	(25,426,286)	(21,955,903)	(47,017,120)	(24,694)	95,141,149	(100,417,954)
Assets:									
Additions to non-current assets		7,216	-	93,709	-	6,521	-	-	107,446
Segment assets	(b)	99,793,928	31,729	70,450,864	84,923,807	28,377,388	17,697	(112,448,457)	171,146,956
Liabilities:									
Segment liabilities	(c)	24,491,873	15,170,830	3,635,061	37,427,655	78,256,022	67,424	(62,631,268)	96,417,597

NOTES TO THE FINANCIAL STATEMENTS
cont'd

6. SEGMENTAL INFORMATION *(cont'd)*

Group 31.12.2019	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Revenue:									
Revenue from external customers		-	-	12,498,590	3,747,755	1,827,743	-	-	18,074,088
Inter-segment revenue	(a)	419,623	-	13,000	33,667	-	-	(466,290)	-
		419,623	-	12,511,590	3,781,422	1,827,743	-	(466,290)	18,074,088
Results:									
Included in the measure of segment loss are:									
Depreciation of property, plant and equipment		(144,448)	-	(3,853,775)	(267,931)	(52,712)	-	-	(4,318,866)
Expense relating to short-term leases		(113,300)	-	-	-	-	-	-	(113,300)
Fair value loss on investment properties		-	-	-	(2,520,000)	-	-	-	(2,520,000)
Finance costs		(1,623,655)	-	(5,104)	(181,437)	(2,759,786)	-	-	(4,569,982)
Finance income		-	-	-	-	234,394	-	-	234,394
Gain on disposal of property, plant and equipment		36,000	-	-	-	-	-	-	36,000

6. SEGMENTAL INFORMATION *(cont'd)*

Group 31.12.2019	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Included in the measure of segment loss are: (cont'd)									
Impairment losses on:									
- amounts owing by subsidiaries		(628,153)	-	-	-	-	-	628,153	-
- investment in subidiaries		(7,196,863)	-	-	-	-	-	7,196,863	-
- property, plant and equipment		-	-	(1,138,152)	-	-	-	-	(1,138,152)
- trade receivables		-	-	(19,617)	-	-	-	-	(19,617)
- other receivables		-	-	-	-	(7,410)	-	-	(7,410)
Reversal of impairment losses:									
- trade receivables		-	-	6,717	93,000	2,880	-	-	102,597
- other receivables		-	-	-	-	8,488	-	-	8,488
Reversal of provision for furniture, fittings and equipments		-	-	158,447	-	-	-	-	158,447
Write back of payables		-	-	212,077	-	-	-	-	212,077
Unallocated corporate expenses		(2,358,439)	(13,664)	(12,061,857)	(3,609,119)	(1,881,152)	(14,110)	466,290	(19,472,051)
Segment loss		(11,609,235)	(13,664)	(4,189,674)	(2,704,065)	(2,627,555)	(14,110)	7,825,016	(13,333,287)

6. SEGMENTAL INFORMATION (cont'd)

Group 31.12.2019	Note	Investment holding RM	Leasing and financing RM	Hospitality RM	Investment properties RM	Property development RM	Others RM	Adjustments and elimination RM	Total RM
Income tax credit		-	-	543,555	-	-	-	-	543,555
Loss for the financial year		(11,609,235)	(13,664)	(3,646,119)	(2,704,065)	(2,627,555)	(14,110)	7,825,016	(12,789,732)
Assets:									
Additions to non-current assets		128	-	199,160	-	579,109	-	-	778,397
Segment assets	(b)	193,003,522	11,729	105,894,059	114,108,642	64,393,158	26,823	(204,980,758)	272,457,175
Liabilities:									
Segment liabilities (Restated)	(c)	22,463,722	15,133,474	3,635,061	34,936,885	79,006,016	56,425	(61,766,934)	93,464,649

6. SEGMENTAL INFORMATION *(cont'd)*

Reconciliation of reportable segment revenue is as follows:

(a) Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

(b) Reconciliation of assets

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Tax assets	572,189	572,189
Segment assets	171,146,956	272,457,175
	171,719,145	273,029,364

(c) Reconciliation of liabilities

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Defered tax liablities	4,048,734	11,015,824
Segment liabilities	96,417,597	93,464,649
	100,466,331	104,480,473

7. FINANCE COSTS, NET OF FINANCE INCOME

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Finance income:				
- Housing development account	3,140	5,339	-	-
- Deposits placed with licensed banks	201,648	224,443	-	-
- Overdue interests on trade receivables	6,185	4,612	-	-
	210,973	234,394	-	-

NOTES TO THE FINANCIAL STATEMENTS
cont'd

7. FINANCE COSTS, NET OF FINANCE INCOME *(cont'd)*

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Finance costs:				
- Term loans	(4,692,774)	(4,367,968)	-	-
- Bank overdrafts	(211,031)	(181,437)	-	-
- Lease liabilities	(31,552)	(20,577)	(2,471)	(7,390)
- Amount owing to a subsidiary	-	-	(2,163,424)	(1,616,265)
	(4,935,357)	(4,569,982)	(2,165,895)	(1,623,655)
	(4,724,384)	(4,335,588)	(2,165,895)	(1,623,655)

8. LOSS BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been (charged)/credited in arriving at loss before tax:

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration:				
- Statutory audit				
- current period/year	(191,000)	(174,000)	(102,000)	(95,000)
- prior year	2,500	-	-	-
- Non-statutory audit	(6,000)	(6,000)	(6,000)	(6,000)
Depreciation of property, plant and equipment	(5,735,040)	(4,318,866)	(104,414)	(144,448)
Employee benefits expenses (Note a)	(10,695,371)	(7,524,395)	(3,147,420)	(1,842,982)
Expense relating to short-term leases	-	(113,300)	-	(113,300)
Fair value loss on investment properties	(19,998,300)	(2,520,000)	-	-
Gain on disposal of property, plant and equipment	53,968	36,000	53,968	36,000
Gain on lease modification	763	-	-	-

8. LOSS BEFORE TAX *(cont'd)*

Other than disclosed elsewhere in the financial statements, the following items have been credited/(charged) in arriving at loss before tax: *(cont'd)*

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Impairment losses on:				
- amounts owing by subsidiaries	-	-	(737,613)	(628,153)
- investment in subsidiaries	-	-	(94,403,536)	(7,196,863)
- trade receivables	-	(19,617)	-	-
- other receivables	-	(7,410)	-	-
- property, plant and equipment	(27,332,041)	(1,138,152)	-	-
Inventories written down	(43,877,604)	-	-	-
Inventories written off	(7,114)	-	-	-
Property, plant and equipment written off	(183)	-	(183)	-
Rent concession income	1,000	-	-	-
Reversal of impairment losses:				
- trade receivables	6,619	102,597	-	-
- other receivables	20,817	8,488	-	-
Rental income	2,100	-	-	-
Reversal of provision for furniture, fittings and equipments	-	158,447	-	-
Write-back of payables	-	212,077	-	-

(a) Employee benefits expenses:

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Wages and salaries	6,995,378	5,268,613	936,101	728,394
Defined contribution plan	888,421	653,180	114,492	86,954
Defined benefit plans	118,666	85,791	9,671	7,151
Other staff related costs	332,352	333,300	14,516	31,628
	8,334,817	6,340,884	1,074,780	854,127
Directors' fees	266,967	132,430	266,967	132,430
Directors' other emolument	2,093,587	1,051,081	1,805,673	856,425
	2,360,554	1,183,511	2,072,640	988,855
Total	10,695,371	7,524,395	3,147,420	1,842,982

NOTES TO THE FINANCIAL STATEMENTS
cont'd

9. INCOME TAX CREDIT

The major components of income tax credit for the financial period/year ended 30 June 2021 and 31 December 2019 are as follows:

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM	RM	RM
Deferred tax liabilities: (Note 24)				
- reversal of temporary differences	(7,115,316)	(1,219,921)	-	-
- under provision in prior years	201,574	676,366	-	-
	(6,913,742)	(543,555)	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.12.2019: 24%) of the estimated assessable profit for the financial period.

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

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM	RM	RM
Loss before tax	(107,331,696)	(13,333,287)	(101,096,149)	(11,592,773)
Taxation at applicable statutory tax rate of 24% (31.12.2019: 24%)	(25,759,607)	(3,199,989)	(24,263,076)	(2,782,266)
Tax effects arising from:				
- non-deductible expenses	17,936,796	1,663,041	23,737,142	2,522,845
- non-taxable income	(13,947)	(27,665)	-	-
- deferred tax assets not recognised during the financial period/year	721,442	344,692	525,934	259,421
- under provision of deferred tax in prior years	201,574	676,366	-	-
Income tax credit	(6,913,742)	(543,555)	-	-

9. INCOME TAX CREDIT *(cont'd)*

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group		Company	
	Financial period from 1.1.2020 to 30.6.2021	**Financial year from 1.1.2019 to 31.12.2019**	**Financial period from 1.1.2020 to 30.6.2021**	**Financial year from 1.1.2019 to 31.12.2019**
	RM	**RM**	**RM**	**RM**
Deductible temporary differences	116,350	9,136	-	-
Unutilised business losses	207,176,399	204,230,955	37,185,360	34,918,828
Unutilised capital allowances	643,300	689,943	607,025	682,162
Net deferred tax assets	207,936,049	204,930,034	37,792,385	35,600,990
Potential deferred tax assets not recognised at 24% (31.12.2019: 24%)	49,904,651	49,183,209	9,070,172	8,544,238

The availability of unutilised business losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from years of assessment 2019 to 2025).

The unutilised business losses are available for offset against future taxable profits of the Group which will expire in the following financial years:

	Group
	30.6.2021
	RM
2025	202,906,820
2026	1,356,678
2027	2,912,901

NOTES TO THE FINANCIAL STATEMENTS
cont'd

10. LOSS PER SHARE

Basic loss per ordinary share

Basic loss per share are based on the loss for the financial period/year attributable to owners of the Company and the weighted average number of ordinary shares during the financial period, calculated as follows:

	Group	
	Financial period from 1.1.2020 to 30.6.2021	Financial year from 1.1.2019 to 31.12.2019
	RM	RM
Loss attributable to owners of the Company		
Loss for the financial period/year	(100,417,954)	(12,789,732)
Weighted average number of ordinary shares for basic loss per share	325,230,108	275,417,334
Basic loss per ordinary share (sen)	(30.88)	(4.64)

Diluted loss per ordinary share

The basic and diluted earnings per ordinary share are equal as the Company has no dilutive potential ordinary share.

11. PROPERTY, PLANT AND EQUIPMENT

Group 2021	Note	Freehold land RM	Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Right-of-use assets RM	Total RM
Cost/Valuation									
At 1 January 2020									
- At cost		-	-	3,335,598	1,202,458	5,361,171	1,505,432	869,217	12,273,876
- At valuation		4,983,423	116,558,739	-	-	-	-	-	121,542,162
		4,983,423	116,558,739	3,335,598	1,202,458	5,361,171	1,505,432	869,217	133,816,038
Additions		-	-	-	-	85,211	22,235	-	107,446
Disposals		-	-	-	-	(3,200)	-	(335,717)	(338,917)
Written off		-	-	-	-	(675)	(406)	-	(1,081)
Reclassification		-	-	-	165,508	-	-	(165,508)	-
Lease modification		-	-	-	-	-	-	20,580	20,580
Adjustment on revaluation		(1,066,956)	-	-	-	-	-	-	(1,066,956)
At 30 June 2021		3,916,467	116,558,739	3,335,598	1,367,966	5,442,507	1,527,261	388,572	132,537,110

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group		Freehold land	Building	Plant and machinery	Motor vehicles	Furniture, fittings and renovation	Computers and office equipment	Right-of-use assets	Total
2021		**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**	**RM**
Accumulated Depreciation									
At 1 January 2020		-	18,404,010	2,786,943	1,202,458	4,530,972	477,677	447,305	27,849,365
Depreciation charge for the financial period	8	-	4,601,003	258,700	-	336,591	256,561	282,185	5,735,040
Disposals		-	-	-	-	(3,200)	-	(308,739)	(311,939)
Written off		-	-	-	-	(675)	(223)	-	(898)
Reclassification		-	-	-	165,508	-	-	(165,508)	-
Lease modification		-	-	-	-	-	-	(2,843)	(2,843)
At 30 June 2021		-	23,005,013	3,045,643	1,367,966	4,863,688	734,015	252,400	33,268,725
Accumulated Impairment Loss									
At 1 January 2020		-	1,138,152	-	-	-	-	-	1,138,152
Charge for the financial period	8	429,566	26,902,475	-	-	-	-	-	27,332,041
At 30 June 2021		429,566	28,040,627	-	-	-	-	-	28,470,193
Carrying Amount									
At 30 June 2021									
- At cost		-	-	289,955	-	578,819	793,246	136,172	1,798,192
- At valuation		3,486,901	65,513,099	-	-	-	-	-	69,000,000
		3,486,901	65,513,099	289,955	-	578,819	793,246	136,172	70,798,192

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Group 2019	Note	Freehold land RM	Building RM	Plant and machinery RM	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Right-of-use assets RM	Total RM
Cost/Valuation									
At 1 January 2019									
- At cost		-	-	3,335,598	1,292,721	5,002,249	1,453,949	684,185	11,768,702
- At valuation		4,441,261	116,558,739	-	-	-	-	-	121,000,000
		4,441,261	116,558,739	3,335,598	1,292,721	5,002,249	1,453,949	684,185	132,768,702
Additions		-	-	-	-	358,922	51,483	367,992	778,397
Disposals		-	-	-	(270,873)	-	-	-	(270,873)
Written off		-	-	-	(2,350)	-	-	-	(2,350)
Reclassification		-	-	-	182,960	-	-	(182,960)	-
Adjustment on revaluation		542,162	-	-	-	-	-	-	542,162
At 31 December 2019		4,983,423	116,558,739	3,335,598	1,202,458	5,361,171	1,505,432	869,217	133,816,038
Accumulated Depreciation									
At 1 January 2019		-	15,336,675	2,595,613	1,292,721	3,836,743	316,078	425,892	23,803,722
Depreciation charge for the financial year	8	-	3,067,335	191,330	-	694,229	161,599	204,373	4,318,866
Disposals		-	-	-	(270,873)	-	-	-	(270,873)
Written off		-	-	-	(2,350)	-	-	-	(2,350)
Reclassification		-	-	-	182,960	-	-	(182,960)	-
At 31 December 2019		-	18,404,010	2,786,943	1,202,458	4,530,972	477,677	447,305	27,849,365
Accumulated Impairment Loss									
At 1 January 2019		-	-	-	-	-	-	-	-
Charge for the financial year	8	-	1,138,152	-	-	-	-	-	1,138,152
At 31 December 2019		-	1,138,152	-	-	-	-	-	1,138,152
Carrying Amount									
At 31 December 2019									
- At cost		-	-	548,655	-	830,199	1,027,755	421,912	2,828,521
- At valuation		4,983,423	97,016,577	-	-	-	-	-	102,000,000
		4,983,423	97,016,577	548,655	-	830,199	1,027,755	421,912	104,828,521

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Company **2021**	**Motor vehicles** **RM**	**Furniture, fittings and renovation** **RM**	**Computers and office equipment** **RM**	**Right-of-use assets** **RM**	**Total** **RM**
Cost					
At 1 January 2020	896,381	8,821	68,969	501,225	1,475,396
Additions	-	-	7,216	-	7,216
Disposals	-	(3,200)	-	(335,717)	(338,917)
Reclassification	165,508	-	-	(165,508)	-
Written off	-	(675)	(406)	-	(1,081)
At 30 June 2021	1,061,889	4,946	75,779	-	1,142,614
Accumulated Depreciation					
At 1 January 2020	896,357	8,821	50,363	379,773	1,335,314
Depreciation charge for the financial period	24	-	9,916	94,474	104,414
Disposals	-	(3,200)	-	(308,739)	(311,939)
Reclassification	165,508	-	-	(165,508)	-
Written off	-	(675)	(223)	-	(898)
At 30 June 2021	1,061,889	4,946	60,056	-	1,126,891
Carrying Amount					
At 30 June 2021	-	-	15,723	-	15,723

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

Company 2019	Motor vehicles RM	Furniture, fittings and renovation RM	Computers and office equipment RM	Right-of-use assets RM	Total RM
Cost					
At 1 January 2019	984,294	8,821	68,841	684,185	1,746,141
Additions	-	-	128	-	128
Disposals	(270,873)	-	-	-	(270,873)
Reclassification	182,960	-	-	(182,960)	-
At 31 December 2019	896,381	8,821	68,969	501,225	1,475,396
Accumulated Depreciation					
At 1 January 2019	984,270	8,821	42,756	425,892	1,461,739
Depreciation charge for the financial year	-	-	7,607	136,841	144,448
Disposals	(270,873)	-	-	-	(270,873)
Reclassification	182,960	-	-	(182,960)	-
At 31 December 2019	896,357	8,821	50,363	379,773	1,335,314
Carrying Amount					
At 31 December 2019	24	-	18,606	121,452	140,082

(a) Freehold land and building

The freehold land and building was carried at revalued amounts of RM69,000,000 and RM102,000,000 as at 30 June 2021 and 31 December 2019 respectively.

Fair value information

The carrying amount of freehold land and building carried at valuation are categorised as follows:

Group	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
30.6.2021				
Freehold land and building	-	69,000,000	-	69,000,000
31.12.2019				
Freehold land and building	-	102,000,000	-	102,000,000

11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(a) Freehold land and building *(cont'd)*

Fair value information *(cont'd)*

The fair values of freehold land and building were determined by external and independent property valuers, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The freehold land and building (at valuation) of the Group are for own use.

Transfer between levels of fair value hierarchy

There are no transfers between levels of fair values hierarchy during the financial period/year ended 30 June 2021 and 31 December 2019.

Level 2 fair value

Fair value of freehold land and building have been derived using the profit method. The profit method entails estimating the gross annual income that can be derived from the running of the property as a business concern. The net annual income is then arrived at by deducting therefrom the operating costs and outgoings incidental to the running of the business and ownership of the property, allowing a margin of profit for the running of the business. The net annual income so arrived at is then capitalised at a suitable rate of return consistent with the type and quality of investment to arrive at the market value.

(b) Had the revalued freehold land and building been carried at historical cost less accumulated depreciation, the net carrying amount of the land and building that would have been included in the financial statements of the Group are as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Freehold land	3,916,467	3,916,467
Building	93,553,726	98,154,728

(c) Assets pledged as security

The freehold land and building with a carrying amount of RM69,000,000 (31.12.2019: RM102,000,000) have been pledged as securities for credit facilities granted to a subsidiary as disclosed in Note 23.

(d) Impairment loss

During the financial period, an impairment loss of RM27,332,041 (31.12.2019: RM1,138,152) was recognised in profit or loss under other expenses, representing the impairment of freehold land and building in the hospitality segment to its recoverable amount, as a result of revaluation. The recoverable amounts of freehold land and building as at 30 June 2021 and 31 December 2019 amounting to RM3,486,901 (31.12.2019: RM4,983,423) and RM65,513,099 (31.12.2019: RM97,016,577) respectively were based on valuation performed by independent valuer.

NOTES TO THE FINANCIAL STATEMENTS
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11. PROPERTY, PLANT AND EQUIPMENT *(cont'd)*

(e) Right-of-use assets

The Group and the Company lease several assets including office buildings, plant and machinery and motor vehicles.

Information about leases for which the Group and the Company are lessees is presented below:

Group	Office buildings RM	Plant and machinery RM	Motor vehicles RM	Total RM
Carrying amount				
At 1 January 2019	-	-	258,293	258,293
Additions	231,920	136,072	-	367,992
Depreciation	(44,853)	(22,679)	(136,841)	(204,373)
At 31 December 2019	187,067	113,393	121,452	421,912
Depreciation	(119,675)	(68,036)	(94,474)	(282,185)
Disposals	-	-	(26,978)	(26,978)
Lease modification	23,423	-	-	23,423
At 30 June 2021	90,815	45,357	-	136,172

Company	Motor vehicles RM
Carrying amount	
At 1 January 2019	258,293
Depreciation	(136,841)
At 31 December 2019	121,452
Depreciation	(94,474)
Disposals	(26,978)
At 30 June 2021	-

The Group leases buildings for its office space. The leases for office space generally have lease term between 2 to 3 years (31.12.2019: 2 to 3 years).

The Group leases plant and machinery for its hospitality operations. The leases for plant and machinery generally have lease term of 3 years (31.12.2019: 3 years).

In the previous financial year, the Group and the Company leased motor vehicles with lease term of 5 years, and had options to purchase the assets at the end of the contract term.

12. INVESTMENT PROPERTIES

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Shopping complex, at fair value		
At beginning of the financial period/year	82,592,000	85,112,000
Fair value loss	(19,998,300)	(2,520,000)
At end of the financial period/year	62,593,700	82,592,000

Details of the Group's investment properties are as follows:

Descriptions	**Location**	**Existing use**
Shopping complex, including foodcourt, office/amusement area and supermarket	Kota Sri Mutiara Complex, Jalan Sultan Yahya Petra, 15150 Kota Bharu Kelantan.	Generate rental income

The following are recognised in profit or loss in respect of investment properties:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Rental income	3,941,317	3,472,794
Direct operating expenses	(3,588,941)	(2,354,509)

Fair value information

Fair value of investment properties are categorised as follows:

	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
30.6.2021				
Shopping complex	-	62,593,700	-	62,593,700
31.12.2019				
Shopping complex	-	82,592,000	-	82,592,000

NOTES TO THE FINANCIAL STATEMENTS
cont'd

12. INVESTMENT PROPERTIES *(cont'd)*

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between levels of fair value hierarchy

There are no transfers between levels of fair values hierarchy during the financial period/year ended 30 June 2021 and 31 December 2019.

Level 2 fair value

Fair value of investment properties have been derived using the sales comparison approach. Sales prices of comparable buildings in close proximity are adjusted for differences in location, size, age and condition of the building, floor level, tenure, title restrictions and other relevant characteristics to arrive at the market value.

Valuation process applied by the Group

The fair value of investment properties is determined by an external independent property valuer, C H Williams Talhar & Wong Sdn. Bhd., a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and experience in the location and category of property being valued. The valuation company provides the fair value of the Group's investment property portfolio yearly. Changes in Level 2 fair values are analysed by the Group yearly after obtaining the valuation report from the valuation company. There has been no change to the valuation technique during the financial period.

13. INVESTMENT IN SUBSIDIARIES

	Company	
	30.6.2021	**31.12.2019**
	RM	**RM**
Unquoted shares, at cost	197,753,003	197,753,003
Less: Impairment loss	(101,861,928)	(7,458,392)
	95,891,075	190,294,611

The movement in allowance for impairment loss of investment in subsidiaries are as follows:

	Company	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	(7,458,392)	(261,529)
Impairment loss for the financial period/year	(94,403,536)	(7,196,863)
At end of the financial period/year	(101,861,928)	(7,458,392)

13. INVESTMENT IN SUBSIDIARIES *(cont'd)*

Details of the subsidiaries, which are incorporated in Malaysia, are as follows:

Name of Company	Effective Equity Interest 30.6.2021 %	Effective Equity Interest 31.12.2019 %	Principal activities
Direct subsidiaries			
Eastern Biscuit Factory Sdn. Bhd.	100	100	Property development, investment in properties and hotel operations
FBO Land (Setapak) Sdn. Bhd.	100	100	Property development and establishment of a platform that act as an agent on behalf of the vendors, reseller or in any other capacity to facilitate, process, resell and conclude the order for the company or other vendors consumers.
FBO Properties Sdn. Bhd.	100	100	Dormant
Perfect Diamond Capital Sdn. Bhd.	100	100	Investment holding
EBF Land Sdn. Bhd.	100	100	Investment holding
Indirect subsidiaries			
Subsidiary of Eastern Biscuit Factory Sdn. Bhd.			
FBO Land (Serendah) Sdn. Bhd.	100	100	Property investment
Subsidiary of Perfect Diamond Capital Sdn. Bhd.			
Rimaflex Sdn. Bhd.	100	100	Money lending
Subsidiary of EBF Land Sdn. Bhd.			
Exquisite Properties Sdn. Bhd.	100	100	Dormant

14. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	30.6.2021 RM	31.12.2019 RM	30.6.2021 RM	31.12.2019 RM
Unquoted shares, at cost	400,000	400,000	400,000	400,000
Less: Share of post-acquisition results	(400,000)	(400,000)	-	-
Impairment losses	-	-	(400,000)	(400,000)
	-	-	-	-

14. INVESTMENT IN AN ASSOCIATE *(cont'd)*

Details of the associate which is incorporated in Malaysia, is as follows:

Name of Company	Effective Equity Interest		Principal activities
	30.6.2021	31.12.2019	
	%	%	
P.A. Projects Sdn. Bhd. #	20	20	Design, supply, fabricating and installation of aluminium products

\# Audited by an auditor other than Baker Tilly Monteiro Heng PLT.

The investment in the associate has been fully impaired in the previous financial years.

The Group's share of accumulated losses in the associate is restricted to the Group's cost of investment in the associate. Accordingly, the Group has excluded its current year's share of profit of the associate amounting to RM131,513 (31.12.2019: share of loss of RM8,600) from its financial statements.

As at 30 June 2021, the cumulative unrecognised share of losses of the associate is RM3,957,728 (31.12.2019: RM4,089,241).

Summarised financial information of material associate

The following table illustrates the summarised financial information of the Group's material associate:

	Group	
	30.6.2021	31.12.2019
	RM	RM
Group		
Assets and liabilities		
Current assets	316,259	719,384
Non-current assets	5	5
Current liabilities	(19,447,948)	(20,072,230)
Net liabilities	(19,131,684)	(19,352,841)
Results:		
Total comprehensive income/(loss)	657,565	(43,000)

15. OTHER INVESTMENT

	Group and Company	
	30.6.2021	**31.12.2019**
	RM	**RM**
Financial assets designated at fair value through other comprehensive income ("FVOCI")		
At fair value:		
- Quoted equity securities		
International Equities Corporation Ltd.		
At beginning of the financial period/year	1,537,818	1,564,402
Fair value gain/(loss) on equity instruments designated at fair value through other comprehensive income	137,093	(26,584)
At end of the financial period/year	1,674,911	1,537,818

The Group and the Company hold non-controlling interests in equity securities designated at fair value through other comprehensive income. This investment was irrevocably designated at fair value through other comprehensive income as the Group and the Company consider this investment as strategic long-term investment and the volatility of market prices of these investments would not affect profit or loss.

16. INVENTORIES

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At Net Realisable Value		
Property under development		
- Leasehold land at cost	317,351	3,025,572
- Development costs	9,564,012	60,466,962
	9,881,363	63,492,534
Leasehold land	7,000,000	-
	16,881,363	63,492,534
At Cost		
Completed properties	10,583,855	10,977,525
Food and beverages	177,849	169,984
	10,761,704	11,147,509
	27,643,067	74,640,043

The cost of inventories of the Group recognised as an expense during the financial period was RM48,951,671 (31.12.2019: RM3,031,578).

NOTES TO THE FINANCIAL STATEMENTS
cont'd

16. INVENTORIES *(cont'd)*

During the financial period, the Group has transferred its costs of property under development to leasehold land as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Carrying amount:		
At beginning of the financial period/year	-	-
Transfer from property under development costs	50,790,998	-
Written down	(43,790,998)	-
At end of the financial period/year	7,000,000	-

The cost of inventories of the Group recognised as an expense in cost of sales during the financial period are as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Inventories written down	(43,877,604)	-
Inventories written off	(7,114)	-
	(43,884,718)	-

17. FINANCING RECEIVABLES

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Non-current:		
Financing receivables	4,412	-
Less: Unearned interest	(250)	-
	4,162	-
Current:		
Financing receivables	16,631,083	16,625,779
Less: Unearned interest	(590,441)	(590,141)
	16,040,642	16,035,638
Less: Impairment losses	(16,035,638)	(16,035,638)
	5,004	-
Total financing receivables (non-current and current)	9,166	-

17. FINANCING RECEIVABLES *(cont'd)*

The movement in the impairment losses of financing receivables is as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	(16,035,638)	(16,393,256)
Written off	-	357,618
At end of the financial period/year	(16,035,638)	(16,035,638)

18. TRADE AND OTHER RECEIVABLES

		Group		Company	
		30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	Note	**RM**	**RM**	**RM**	**RM**
Trade receivables	(a)	2,301,765	1,353,040	-	-
Less: Impairment losses		(851,258)	(857,877)	-	-
		1,450,507	495,163	-	-
Amounts owing by subsidiaries	(c)	-	-	47,818,403	47,080,790
Less: Impairment losses		-	-	(47,818,403)	(47,080,790)
		-	-	-	-
Other receivables	(b)	4,749,816	4,761,366	99	-
Less: Impairment losses		(4,584,459)	(4,605,276)	-	-
		165,357	156,090	99	-
Deposits		175,247	199,827	1,780	26,360
Prepayments	(d)	209,818	160,963	39,247	20,243
GST claimable		2,469	2,469	-	-
Total trade and other receivables		2,003,398	1,014,512	41,126	46,603

NOTES TO THE FINANCIAL STATEMENTS
cont'd

18. TRADE AND OTHER RECEIVABLES *(cont'd)*

(a) Trade receivables

The trade credit terms granted to the customers ranging from 7 to 90 days (31.12.2019: 7 to 90 days). Other credit terms are assessed and approved on a case by case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	(857,877)	(940,857)
Charge for the financial period/year		
- Individually assessed	-	(19,617)
Reversal of impairment losses	6,619	102,597
At end of the financial period/year	(851,258)	(857,877)

The information about the credit exposures are disclose in Note 29(b)(i).

(b) Other receivables

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	(4,605,276)	(4,617,429)
Charge for the financial period/year		
- Individually assessed	-	(7,410)
Reversal of impairment losses	20,817	8,488
Written off	-	11,075
At end of the financial period/year	(4,584,459)	(4,605,276)

18. TRADE AND OTHER RECEIVABLES *(cont'd)*

(c) Amounts owing by subsidiaries

Amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

The amounts owing by subsidiaries that are impaired at the reporting date and the reconciliation of movement in the impairment of amounts owing by subsidiaries are as follows:

	Company	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	(47,080,790)	(46,452,637)
Charge for the financial period/year		
- Individually assessed	(737,613)	(628,153)
At end of the financial period/year	(47,818,403)	(47,080,790)

(d) Prepayments

Included in prepayments of the Group has down payments to suppliers of RM103,200 (31.12.2019: RM Nil) for the purchase of plant and equipment.

19. DEPOSITS PLACED WITH LICENSED BANKS

Included in the deposits placed with licensed banks of the Group, are deposits pledged to the financial institutions for banking facilities granted to a subsidiary as follows:

(i) Amounts of RM617,633 (31.12.2019: RM1,076,044) which earn interest at a rate of 1.75% (31.12.2019: 3.35%) per annum.

(ii) An amount of RM3,693,081 (31.12.2019: RM3,551,585) marginal deposits as disclosed in Notes 23(a) and 23(c) respectively.

20. CASH AND BANK BALANCES

	Group		**Company**	
	30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	1,865,740	2,971,704	400,717	949,944
Cash held under Housing Development Account	248,068	244,948	-	-
	2,113,808	3,216,652	400,717	949,944

The housing development accounts which held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 comprise monies received from purchasers, are for the payment of property development expenditure incurred and are restricted from use in other operations.

NOTES TO THE FINANCIAL STATEMENTS
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21. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amounts	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	Unit	Unit	RM	RM
Issued and fully paid up:				
At beginning of the financial period/year	324,281,570	245,667,975	129,878,659	123,168,989
Issued during the financial period/year	32,428,157	78,613,595	3,998,392	6,709,670
At end of the financial period/year	356,709,727	324,281,570	133,877,051	129,878,659

Effective from 31 January 2017, the Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

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 regard to the Company's residual assets.

During the financial period, the Company issued 32,428,157 new ordinary shares at a price of RM0.1233 per ordinary share pursuant to private placement.

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

22. OTHER RESERVES

		Group		Company	
		30.6.2021	31.12.2019	30.6.2021	31.12.2019
	Note	RM	RM	RM	RM
Capital reserve	(a)	110,238,037	110,238,037	110,238,037	110,238,037
Revaluation reserve	(b)	-	1,013,608	-	-
Fair value reserve of financial assets at FVOCI	(c)	1,215,001	1,077,908	1,215,001	1,077,908
		111,453,038	112,329,553	111,453,038	111,315,945

(a) Capital reserve

Capital reserve arose from the par value reduction exercise undertaken by the Company in year 2009. It represents surplus arising after the off-setting of the Company's issued and paid up capital against its accumulated losses at the date when the reduction of share capital became effective.

The capital reduction reserve is a non-distributable reserve.

(b) Revaluation reserve

The revaluation reserve represents the surplus arising from revaluation of freehold land and building. This amount is presented net of deferred tax liability arising from revaluation reserve.

(c) Fair value reserve of financial assets at FVOCI

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income ("FVOCI") until the investments are derecognised or impaired.

23. LOANS AND BORROWINGS

		Group		Company	
		30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	Note	**RM**	**RM**	**RM**	**RM**
Current:					
Bank overdrafts	(a)	7,754,644	29,770,289	-	-
Lease liabilities	(b)	256,242	196,171	-	74,675
Term loans	(c)	1,956,056	3,388,446	-	-
		9,966,942	33,354,906	-	74,675
Non-current:					
Lease liabilities	(b)	12,733	210,121	-	19,822
Term loans	(c)	46,522,807	25,994,947	-	-
		46,535,540	26,205,068	-	19,822
Total loans and borrowings:					
Bank overdrafts	(a)	7,754,644	29,770,289	-	-
Lease liabilities	(b)	268,975	406,292	-	94,497
Term loans	(c)	48,478,863	29,383,393	-	-
		56,502,482	59,559,974	-	94,497

(a) Bank overdrafts

Bank overdrafts bear profit rate at a rate of 6.47% (31.12.2019: 7.72% to 8.22%) per annum.

The bank overdrafts of the Group are secured by way of:

(i) First party first legal charge over a subsidiary's property as disclosed in Note 11;
(ii) First party second legal charge over the freehold land and building as disclosed in Note 11;
(iii) Marginal deposit as disclosed in Note 19; and
(iv) Corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
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23. LOANS AND BORROWINGS *(cont'd)*

(b) Lease liabilities

Certain equipment and vehicles of the Group and of the Company as disclosed in Note 11 are pledged for leases. Such leases do not have terms for renewal which would give the Group and the Company an option to purchase at nominal values at the end of lease term. The interest rate implicit in the leases is at a rate of 8.00% (31.12.2019: 5.26% to 8.00%).

	Group		Company	
	30.6.2021	31.12.2019	30.6.2021	31.12.2019
	RM	RM	RM	RM
Minimum lease payments:				
Not later than one year	264,360	218,910	-	77,442
Later than one year and not later than five years	12,800	222,174	-	20,022
	277,160	441,084	-	97,464
Less: Future finance charges	(8,185)	(34,792)	-	(2,967)
Present value of minimum lease payments	268,975	406,292	-	94,497
Present value of minimum lease payments:				
Not later than one year	256,242	196,171	-	74,675
Later than one year and not later than five years	12,733	210,121	-	19,822
	268,975	406,292	-	94,497
Less: Amount due within 12 months	(256,242)	(196,171)	-	(74,675)
Amount due after 12 months	12,733	210,121	-	19,822

(c) Term loans

Term loans 1 and 2 of a subsidiary of RM91,187 and RM11,546,760 respectively are Islamic term loans which bear profit rate of 6.47% (31.12.2019: 7.72%) each per annum. Term loan 1 is repayable by monthly instalments of RM8,000 (31.12.2019: RM31,314) and term loan 2 is repayable by monthly instalments of RM70,000 (31.12.2019: RM269,700) and are secured and supported as follows:

(i) First party first legal charge over the freehold land and building of a subsidiary as disclosed in Note 11; and
(ii) Corporate guarantee of the Company.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

23. LOANS AND BORROWINGS *(cont'd)*

(c) Term loans *(cont'd)*

Term loan 3 of a subsidiary of RM16,852,906 (31.12.2019: RM17,053,387) is Islamic term loan which bears profit rate of 6.47% (31.12.2019: 7.72%) per annum. It is repayable by monthly instalments of RM93,000 (31.12.2019: RM174,410) and is secured as follows:

(i) First party second legal charge over the freehold and building of a subsidiary as disclosed in Note 11;
(ii) Marginal deposit as disclosed in Note 19; and
(iii) Corporate guarantee of the Company.

Term loan 4 of a subsidiary of RM19,988,010 (31.12.2019: RM Nil) is Islamic term loan which bears profit rate of 6.97% (31.12.2019: Nil) per annum. It is repayable by monthly instalments of RM39,227 and is secured as follows:

(i) First party second legal charge over the freehold and building of a subsidiary as disclosed in Note 11;
(ii) Marginal deposit as disclosed in Note 19; and
(iii) Corporate guarantee of the Company.

24. DEFERRED TAX LIABILITIES

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
At beginning of the financial period/year	11,015,824	11,506,031
Recognised in profit or loss during the financial period/year (Note 9)	(6,913,742)	(543,555)
Deferred tax relating to revaluation reserve	(53,348)	53,348
At end of the financial period/year	4,048,734	11,015,824

The component of deferred tax liabilities as at the end of the financial period/year are as follows:

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Deferred tax liabilities		
Temporary differences between net carrying amount and corresponding tax written down values in relation to property, plant and equipment	4,048,734	10,962,476
Surplus arising from revaluation of freehold land	-	53,348
	4,048,734	11,015,824

NOTES TO THE FINANCIAL STATEMENTS
cont'd

25. PROVISIONS FOR LIABILITIES

	Provision for furniture, fittings and equipments (Note (a))	Provision for strata-title application costs (Note (b))	Total
	RM	RM	RM
		(Restated)	(Restated)
Group			
At 1 January 2019			
- As previously reported	158,447	-	158,447
- Prior year adjustment	-	1,812,000	1,812,000
Restated balance at 1 January 2019	158,447	1,812,000	1,970,447
Less: Reversal during the financial year	(158,447)	-	(158,447)
At 31 December 2019/30 June 2021	-	1,812,000	1,812,000

(a) Provision for furniture, fittings and equipment

The provision for furniture, fittings and equipment of a subsidiary are the funds used and expended for the following:

(i) To pay the costs of renewals, revisions, replacements, substitutions, refurbishment and additions to the furnishings and equipment; and
(ii) Refurbishment and extraordinary repairs to the building.

(b) Provision for strata-title application costs

This was in respect of an strata-title application costs for a project of a subsidiary which had been completed in prior years.

26. TRADE AND OTHER PAYABLES

		Group			Company		
		30.6.2021	31.12.2019	1.1.2019	30.6.2021	31.12.2019	1.1.2019
	Note	RM	RM	RM	RM	RM	RM
			(Restated)	(Restated)			
Trade payables	(a)	9,737,628	7,679,207	6,476,147	-	-	-
Other payables	(b)	4,729,903	4,444,720	5,725,077	1,031,038	956,207	931,691
Accruals	(c)	5,853,954	3,145,042	3,880,239	53,270	70,895	27,540
Amounts owing to subsidiaries	(d)	-	-	-	14,778,595	14,686,146	16,444,846
Amounts owing to directors	(e)	12,540,000	10,580,000	6,580,000	8,540,000	6,580,000	6,580,000
Deposits received		2,237,249	2,264,271	6,302,044	-	-	2,248
		35,098,734	28,113,240	28,963,507	24,402,903	22,293,248	23,986,325

26. TRADE AND OTHER PAYABLES *(cont'd)*

(a) Trade payables

The normal trade credit terms granted to the Group ranging from 30 to 60 days (31.12.2019: 30 to 60 days).

(b) Other payables

Included in other payables is an amount owing a former director of RM800,000 (31.12.2019: RM800,000) which is non-trade in nature, unsecured, interest-free and repayable upon demand, as and when the amount and timing of repayment will not adversely affect the cash flows of the Group and of the Company to meet their obligations as and when they fall due.

(c) Accruals

Included in the accruals pf the Group is an amount of RM1,942,836 (31.12.2019: RM1,942,836; 1.1.2019: RM2,046,868) in respect of anticipated loss arising from late deliveries of completed property development projects to the buyers.

(d) Amounts owing to subsidiaries

Amounts owing to subsidiaries are non-trade in nature, unsecured and bear interest at a rate of 6.47% (31.12.2019: 7.22%) per annum.

(e) Amounts owing to directors

Included in amounts owing to directors are RM12,540,000 (31.12.2019: RM10,580,000) which are non-trade in nature, unsecured, interest-free and repayable upon demand, as and when the amount and timing of repayment will not adversely affect the cash flows of the Group and of the Company to meet their obligations as and when they fall due.

(f) For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 29(b)(ii).

27. CONTRACT LIABILITIES

	Group	
	30.6.2021	**31.12.2019**
	RM	**RM**
Contract liabilities relating to property development contracts	3,004,381	3,979,435

NOTES TO THE FINANCIAL STATEMENTS
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27. CONTRACT LIABILITIES *(cont'd)*

(a) Significant changes in contract balances

	30.6.2021		31.12.2019	
	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease	Contract assets increase/ (decrease)	Contract liabilities (increase)/ decrease
	RM	RM	RM	RM
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial period/year	-	3,812,954	-	1,827,743
Increases due to consideration received/ receivable from customer, but revenue not recognised	-	(2,837,900)	-	(1,240,689)
	-	975,054	-	587,054

Contract liabilities have decreased as the Company recognised revenue that was included in contract liabilities during the financial period/year.

(b) Revenue recognised in relation to contract balances

	Group	
	30.6.2021	31.12.2019
	RM	RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	3,812,954	1,827,743

Revenue recognised that was included in the contract liability balance at the beginning of the year represented primarily revenue from the sale of property development contracts when percentage of completion increases.

28. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Entities having significant influence over the Group;
(ii) Subsidiaries as disclosed in Note 13;
(iii) Associate as disclosed in Note 14; and
(iv) Key management personnel of the Group's and the Company's holding company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

28. RELATED PARTIES *(cont'd)*

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	30.6.2021	**31.12.2019**
	RM	**RM**
Subsidiary		
Eastern Biscuit Factory Sdn. Bhd.		
Management fee	709,989	419,623

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Notes 18 and 26.

(c) Key management personnel compensation

	Group		Company	
	30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	RM	**RM**	**RM**	**RM**
Executive Directors				
Salaries and allowances	1,842,700	927,000	1,577,700	747,000
Other emoluments	217,887	106,681	194,973	92,025
	2,060,587	1,033,681	1,772,673	839,025
Non-Executive Directors				
Allowances	33,000	17,400	33,000	17,400
Fees	266,967	132,430	266,967	132,430
Total directors' remuneration	2,360,554	1,183,511	2,072,640	988,855

	Group		Company	
	30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	RM	**RM**	**RM**	**RM**
Key management personnel				
- Salaries and allowances	288,000	284,095	288,000	284,095
- Defined contribution	34,560	23,522	34,560	23,522
- Socso contribution	1,385	1,460	1,385	1,460
	323,945	309,077	323,945	309,077

The estimated monetary values of directors' and key management personnel benefit-in-kind are RM8,000 and RM9,900 respectively (31.12.2019: RM42,000 and RM9,900 respectively).

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

(i) Amortised cost
(ii) Fair value through other comprehensive income ("FVOCI")

	Carrying amount RM	Amortised cost RM	FVOCI RM
At 30 June 2021			
Financial assets			
Group			
Other investment	1,674,911	-	1,674,911
Financing receivables	9,166	9,166	-
Trade and other receivables (exclude prepayments and GST claimable)	1,791,111	1,791,111	-
Deposits placed with licensed banks	4,310,714	4,310,714	-
Cash and bank balances	2,113,808	2,113,808	-
	9,899,710	8,224,799	1,674,911
Company			
Other investment	1,674,911	-	1,674,911
Trade and other receivables (exclude prepayments)	1,879	1,879	-
Cash and bank balances	400,717	400,717	-
	2,077,507	402,596	1,674,911
Financial liabilities			
Group			
Trade and other payables	35,098,734	35,098,734	-
Loans and borrowings	56,502,482	56,502,482	-
	91,601,216	91,601,216	-
Company			
Trade and other payables	24,402,903	24,402,903	-

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS *(cont'd)*

(a) Categories of financial instruments *(cont'd)*

	Carrying amount RM	Amortised cost RM	FVOCI RM
At 31 December 2019 (Restated)			
Financial assets			
Group			
Other investment	1,537,818	-	1,537,818
Trade and other receivables (exclude prepayments and GST claimable)	851,080	851,080	-
Deposits placed with licensed banks	4,627,629	4,627,629	-
Cash and bank balances	3,216,652	3,216,652	-
	10,233,179	8,695,361	1,537,818
Company			
Other investment	1,537,818	-	1,537,818
Trade and other receivables (exclude prepayments)	26,360	26,360	-
Cash and bank balances	949,944	949,944	-
	2,514,122	976,304	1,537,818
Financial liabilities			
Group			
Trade and other payables	28,113,240	28,113,240	-
Loans and borrowings	59,559,974	59,559,974	-
	87,673,214	87,673,214	-
Company			
Trade and other payables	22,293,248	22,293,248	-
Loans and borrowings	94,497	94,497	-
	22,387,745	22,387,745	-

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk, interest rate risk and market price risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risk and/or costs associated with the financing, investing and operating activities of the Group and of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

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

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9 Financial Instruments, which permits the use of the lifetime expected credit losses provision for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

The information about the credit risk exposure on the Group's and Company's trade receivables using provision matrix are as follows:

	Expected credit loss rate	Gross carrying amount at default	Expected credit losses
	%	RM	RM
Group			
At 30 June 2021			
Current	0%	656,724	-
1-30 days past due	0%	290,100	-
31-60 days past due	0%	176,090	-
61-90 days past due	0%	77,069	-
91-121 days past due	0%	47,872	-
>120 days past due	0%	202,652	-
		1,450,507	-
Impairment losses			
- Individually assessed		851,258	851,258
		2,301,765	851,258

29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Trade receivables *(cont'd)*

The information about the credit risk exposure on the Group's and Company's trade receivables using provision matrix are as follows: *(cont'd)*

	Expected credit loss rate %	Gross carrying amount at default RM	Expected credit losses RM
Group *(cont'd)*			
At 31 December 2019			
Current	0%	161,724	-
1-30 days past due	0%	123,063	-
31-60 days past due	0%	25,806	-
61-90 days past due	0%	15,908	-
91-121 days past due	0%	10,320	-
>120 days past due	0%	158,342	-
		495,163	-
Impairment losses			
- Individually assessed		857,877	857,877
		1,353,040	857,877

Other receivables and other financial assets

For other receivables and other financial assets (including investment securities, deposits placed with licensed banks, and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(i) Credit risk *(cont'd)*

Other receivables and other financial assets *(cont'd)*

Some intercompany loans between entities within the Group are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Other than the credit-impaired amounts owing by subsidiaries and other receivables, the Group and the Company consider these financial assets to be of low credit risk, for which no material loss allowance is required.

Refer to Note 3.14(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

Financial guarantee contracts

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and its repayments on an on-going basis. The maximum exposure to credit risks amounts to RM56,233,507 (31.12.2019: RM59,153,682) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 29(b)(ii). As at the reporting date, there was no loss allowance for expected credit losses as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary's secured borrowings.

(ii) Liquidity risk

(1) Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from differences of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings.

(2) The Group and the Company maintain a level of cash and cash equivalents and source of funds deemed adequate by the directors to ensure, as far as possible, that it will have sufficient liquidity to meet their liability when they fall due.

The Group and the Company had incurred continuous losses for the financial period ended 30 June 2021 amounted to RM100,417,954 and RM101,096,149 respectively and as of that date, the Company had also recorded negative operating cash flows of RM3,678,264. As at 30 June 2021, the Group's and the Company's current liabilities exceeding their current assets by RM13,233,877 and RM23,961,060 respectively. Meanwhile, the Group's short-term loans and borrowings were RM9,966,942 as at 30 June 2021.

The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial period. Significant assumption and judgements are used in the preparation of the cash flow forecast.

29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(ii) Liquidity risk *(cont'd)*

(3) Analysis of financial instruments by remaining contractual maturities

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date are based on contractual undiscounted repayment obligations are as follows:

	Contractual cash flows				
	Carrying amount	**Within 1 Year**	**1 - 5 Years**	**> 5 Years**	**Total**
	RM	**RM**	**RM**	**RM**	**RM**
At 30 June 2021					
Group					
Financial liabilities					
Trade and other payables	35,098,734	35,098,734	-	-	35,098,734
Loans and borrowings	56,502,482	12,284,871	27,596,800	37,879,740	77,761,411
	91,601,216	47,383,605	27,596,800	37,879,740	112,860,145
Company					
Trade and other payables	24,402,903	24,402,903	-	-	24,402,903
Financial guarantee contract	-	56,233,507	-	-	56,233,507
	24,402,903	80,636,410	-	-	80,636,410
At 31 December 2019 (Restated)					
Group					
Financial liabilities					
Trade and other payables	28,113,240	28,113,240	-	-	28,113,240
Loans and borrowings	59,559,974	35,524,246	19,709,746	16,505,894	71,739,886
	87,673,214	63,637,486	19,709,746	16,505,894	99,853,126
Company					
Trade and other payables	22,293,248	22,293,248	-	-	22,293,248
Loans and borrowings	94,497	77,442	20,022	-	97,464
Financial guarantee contract	-	59,153,682	-	-	59,153,682
	22,387,745	81,524,372	20,022	-	81,544,394

NOTES TO THE FINANCIAL STATEMENTS
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29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's other investment.

The Group's and the Company's financial assets that are not denominated in their functional currencies are as follows:

	Group and Company Functional currencies RM
30 June 2021	
Other investment	
Australian Dollar	1,674,911
31 December 2019	
Other investment	
Australian Dollar	1,537,818

The Group's and the Company's principal foreign currency exposure relates mainly to Australian Dollar ("AUD").

The following table demonstrates the sensitivity to a reasonably possible change in the AUD, with all other variables held constant on the Group's and the Company's total equity and loss for the financial period.

	Change in rate	Effect on loss for the financial period/year RM	Effect on equity RM
30 June 2021			
- AUD	10%	-	167,491
	-10%	-	(167,491)
31 December 2019			
- AUD	10%	-	153,782
	-10%	-	(153,782)

29. FINANCIAL INSTRUMENTS *(cont'd)*

(b) Financial risk management *(cont'd)*

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and loss for the financial period.

	Change in rate	Effect on loss for the financial period/year	Effect on equity
		RM	RM
Group			
30 June 2021	+1%	427,375	(427,375)
	- 1%	(427,375)	427,375
31 December 2019	+1%	449,568	(449,568)
	- 1%	(449,568)	449,568

(v) 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 equity instruments. The quoted equity instruments outside Malaysia are listed on Australian Securities Exchange ("ASX") in Australia.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in ASX, with all other variables held constant on the Group's and the Company's total equity and loss for the financial period.

	Change in rate	Effect on loss for the financial period/year	Effect on equity
		RM	RM
Group			
30 June 2021	+1%	-	167,491
	- 1%	-	(167,491)
31 December 2019	+1%	-	153,782
	- 1%	-	(153,782)

NOTES TO THE FINANCIAL STATEMENTS
cont'd

29. FINANCIAL INSTRUMENTS *(cont'd)*

(c) Fair value measurement

The carrying amounts of cash and bank balances, deposits placed with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

The carrying amounts of long-term floating rate term loans are reasonable approximation of fair values as the loans will be re-priced to market interest rate on or near reporting date.

There have been no transfers between Level 1 and Level 2 during the financial period (31.12.2019: no transfer in either directions).

	Carrying amount Total	Fair value of financial instruments carried at fair value			
		Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM
Group and Company					
30 June 2021					
Financial asset					
Other investment	1,674,911	1,674,911	-	-	1,674,911
31 December 2019					
Financial asset					
Other investment	1,537,818	1,537,818	-	-	1,537,818

30. COMMITMENTS

The Group has made commitments for the following capital expenditures:

	30.6.2021	31.12.2019
	RM	RM
Property, plant and equipment approved and contracted for	928,800	-

31. FINANCIAL GUARANTEES

	30.6.2021	31.12.2019
	RM	RM
Corporate guarantee to banks in respect of banking facilities granted to a subsidiary	56,233,507	59,153,682

32. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and safeguard the Group's and the Company's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group and the Company manage their capital structure by monitoring the capital and net debt on an on-going basis. To maintain the capital structure, the Group and the Company may adjust the dividend payment to shareholders.

There were no changes in the Group's and the Company's approach to capital management during the financial period.

The Group and the Company monitor using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio at 30 June 2021 and 31 December 2019 are as follows:

	Group		Company	
	30.6.2021	**31.12.2019**	**30.6.2021**	**31.12.2019**
	RM	**RM**	**RM**	**RM**
Trade and other payables	35,098,734	28,113,240	24,402,903	22,293,248
Loans and borrowings	56,502,482	59,559,974	-	94,497
Total debts	91,601,216	87,673,214	24,402,903	22,387,745
Total equity	71,252,814	168,548,891	73,620,649	170,581,313
Debts-to-equity ratio	129%	52%	33%	13%

33. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

(a) On 18 August 2020, the Group announced that its wholly-owned subsidiary, FBO Land (Setapak) Sdn. Bhd. ("FBO") had entered into a conditional sale and purchase agreement ("CSPA") with Inland World Sdn. Bhd. ("IWSB"). The CSPA lays out the agreement for FBO to purchase all rights, title, benefits, interests, covenants, undertakings, duties, liabilities and obligations of IWSB under the Joint Venture Agreement (as defined herein) which are to be transferred to and/or assumed by FBO pursuant to the CSPA, for a purchase consideration of RM8.0 million.

For information, IWSB had on 18 September 2018 enter into a joint venture agreement with Sabah Urban Development Corporation Sdn. Bhd. ("SUDC") ("Joint Venture Agreement") to collaborate in the development of a 14,059.82 square feet land, situated in Damai, in the district of Kota Kinabalu, Sabah, which is managed by SUDC on behalf of Perbadanan Pembangunan Ekonomi Sabah (the registered owner of the land) ("SEDCO"). In the Joint Venture Agreement, IWSB will develop, construct and manage a building consisting of, inter alia a 16-storey building with 2-storey shoplot, 5-storey carpark, 1-storey private facilities and 8-storey commercial units ("Project") on the said piece of land.

IWSB had on 28 October 2020 issued a written request to FBO to request for an extension of time for a period of 90 days from 18 November 2020 to 15 February 2021 to obtain/fulfil the conditions precedent of the CSPA. The Group had on 17 November 2020 announced that FBO had agreed to grant IWSB the extension sought.

IWSB had on 2 February 2021 and 5 May 2021 issued written requests to FBO to request for a further extension of time for period of 90 days from 16 February 2021 to 16 May 2021, and a further extension of time for a period of 6 months from 17 May 2021 to 16 November, respectively, to satisfy the conditions precedent of the CSPA. The Group had on 8 February 2021 and 7 May 2021 announced that FBO had agreed to grant IWSB the further extension sought.

NOTES TO THE FINANCIAL STATEMENTS
cont'd

33. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD *(cont'd)*

(b) On 15 June 2021, the Company increased its issued and paid-up ordinary share capital from RM129,878,659 to RM133,877,051 by way of issuance of 32,428,157 new ordinary shares at a price of RM0.1233 each through private placement.

(c) On 13 August 2021, the Company increased its issued and paid-up ordinary share capital from RM133,877,051 to RM140,745,334 by way of issuance of 64,856,312 new ordinary shares at a price of RM0.1059 each through private placement.

(d) On 12 October 2021, the Company proposed to undertake a renounceable rights issue of new ordinary shares together with free detachable warrants to the entitled shareholders of the Company, on a basis and issue price to be determined and announced later to raise gross proceeds of approximately RM80.0 million ("Proposed Rights Issue with Warrants").

(e) **COVID-19 pandemic**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed several levels of Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing and other precautionary measures imposed in various countries.

The Group and the Company have considered possible impacts, if any, of COVID-19 pandemic in their application of significant judgements and estimates for the financial period ended 30 June 2021 in determining the amounts recognised in the financial statements for the financial period ended 30 June 2021 as disclosed in Note 4 to the financial statements.

As the ongoing COVID-19 pandemic continues to evolve, there is significant uncertainty over the impacts of the pandemic and its full range of possible effects on the Group's financial and liquidity positions. Given the fluidity of the situation, the Group and the Company are unable to reasonably estimate the complete financial impacts of COVID-19 pandemic for the financial year ending 30 June 2022 to be disclosed in the financial statements as impact assessment of the COVID-19 pandemic is a continuing process. The Group and the Company will continuously monitor any material changes to future economic conditions that will affect the Group and the Company.

34. COMPARATIVE FIGURES

	As previously stated RM	Reclassification RM (a)	Prior year adjustments RM (b)	As restated RM
Group				
31 December 2019				
Statements of financial position				
Provisions for liabilities	2,441,836	(2,441,836)	1,812,000	1,812,000
Trade and other payables	25,671,404	2,441,836	-	28,113,240
Accumulated losses	(71,847,321)	-	(1,812,000)	(73,659,321)
Statements of cash flows				
Net cash used in operating activities	(134,679)	(23,355)	-	(158,034)
Net cash used in investing activities	(954,823)	(4,612)	-	(959,435)
Net cash used in financing activities	(446,662)	27,967	-	(418,695)

34. COMPARATIVE FIGURES *(cont'd)*

	As previously stated RM	Reclassification RM (a)	Prior year adjustments RM (b)	As restated RM
Group *(cont'd)*				
1 January 2019				
Statements of financial position				
Provisions for liabilities	2,704,315	(2,545,868)	1,812,000	1,970,447
Trade and other payables	26,417,639	2,545,868	-	28,963,507
Accumulated losses	(59,057,589)	-	(1,812,000)	(60,869,589)
Company				
31 December 2019				
Statements of cash flows				
Net cash used in operating activities	(1,972,387)	(7,390)	-	(1,979,777)
Net cash used in investing activities	(2,350,981)	1,758,700	-	(592,281)
Net cash from financing activities	4,974,371	(1,751,310)	-	3,223,061

(a) The comparative figures have been reclassified to conform with current year presentation.

(b) There was an under provision of strata-title application costs for a project of a subsidiary which had been completed in the prior years.

Accordingly, the financial statements of the Group for the financial year ended 31 December 2019 and 1 January 2019 have been restated to correct the errors and prior year adjustments have been adjusted.

(c) During the financial period, the Group and the Company changed their financial year end from 31 December to 30 June and made up their financial statements for the 18 months period from 1 January 2020 to 30 June 2021. Accordingly, comparative figures for the statements of comprehensive income, statements of changes in equity, statements of cash flows and the related notes are not entirely comparable with those for the current financial period.

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, LEE CHEE KIANG and **TAN CHIN HONG**, being two of the directors of Eastland Equity Bhd., do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 54 to 133 are drawn up in accordance with the 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 30 June 2021 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

LEE CHEE KIANG
Director

TAN CHIN HONG
Director

Kuala Lumpur

Date: 18 October 2021

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **TAN CHIN HONG**, being the director primarily responsible for the financial management of Eastland Equity Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 54 to 133 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.

TAN CHIN HONG

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 18 October 2021.

Before me,

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EASTLAND EQUITY BHD.
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Eastland Equity Bhd., which comprise the statements of financial position as at 30 June 2021 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 54 to 133.

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 30 June 2021, and of their financial performance and their cash flows for the financial period then ended in accordance with the 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 and of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group and Company

Funding requirements and ability to meet short-term obligations (Notes 4(a) and 29(b)(ii)(2) to the financial statements)

As disclosed in Note 29(b)(ii)(2) to the financial statements, the Group and the Company had incurred continuous losses for the financial period ended 30 June 2021 amounting to RM100,417,954 and RM101,096,149 respectively and, as of that date, the Company had also recorded negative operating cash flows of RM3,678,264. As at 30 June 2021, the Group's and the Company's current liabilities exceeding their current assets by RM13,233,877 and RM23,961,060 respectively. Meanwhile, the Group's short-term loans and borrowings were RM9,966,942 as at 30 June 2021.

The Group has prepared a cash flow forecast to consider the availability of funds in supporting the management of liquidity risk that the Group will have sufficient financial resources for a period of at least 12 months from the end of the financial period. Significant assumptions and judgements are used in the preparation of the cash flow forecast.

We focused on this area because significant assumptions and judgements by directors are used in the preparation of the cash flow forecast.

Our response:

Our audit procedures included, among others:
- reading and discussing the cash flow forecast prepared by the Group;
- discussing the Group's assumptions in the cash flow forecast in relation to key inputs;
- testing the mathematical accuracy of the cash flow forecast calculation; and
- agreeing sources or availability of funds to any relevant supporting documents.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF EASTLAND EQUITY BHD.
(Incorporated in Malaysia)
cont'd

Key Audit Matters *(cont'd)*

Group

Investment properties and property, plant and equipment (Notes 4(b), 4(c), 11 and 12 to the financial statements)

The Group has significant balances of investment properties and property, plant and equipment. The Group's policy is to measure investment properties at fair value. Property, plant and equipment (comprising freehold land and building) carried at valuation subsequent to their initial recognition. The Group estimated the fair value of the investment properties and valuation of property, plant and equipment based on information provided and the market valuation performed by an external independent valuer.

We focused on this area because the estimation of fair value of investment properties and valuation of property, plant and equipment requires significant judgement in key assumptions used.

Our response:

Our audit procedures included, among others:
- considering the competence, capabilities and objectivity of the external valuers which includes consideration of their qualifications and experience;
- understanding the scope and objective of the valuation by reading the terms of engagement;
- reading the valuation reports and discussing with external valuer on their valuation approach and the significant judgements made; and
- understanding the relevance of the key input data used by the external valuers.

Inventory (Notes 4(d) and 16 to the financial statements)

We focused on this area because the review of saleability and valuation of certain inventories at lower of cost and net realisable value by the Group, in particular leasehold land are major source of estimation uncertainty.

Our response:

Our audit procedures included, among others:
- evaluating whether the available evidence sufficiently corroborate the Group's commitment to sell the land;
- comparing the Group's assumptions to externally derived data as well as discussing with external valuer on their assessment of the fair value of the land; and
- checking the computation whether the land has been written down to its net realisable value.

Revenue and corresponding costs recognition for property development activities (Notes 4(e), 5, 16 and 27 to the financial statements)

The amount of revenue and corresponding costs of the Group's property development activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction costs incurred for works performed to date bear to the estimated total costs for each project (input method).

We focused on this area because significant directors' judgement is required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the property development costs incurred, the estimated total property development revenue and costs, as well as the recoverability of the property development costs. The estimated total revenue and costs are affected by a variety of uncertainties that depend of the outcome of future events.

Our response:

Our audit procedures included, among others,
- reading the terms and conditions of sample of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards complete satisfaction of performance obligation; and
- checking the mathematical computation of recognised revenue and corresponding costs for the projects during the financial period.

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 financial statements of the Group and of the Company that give a true and fair view in accordance with the 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.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditor's 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 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 EASTLAND EQUITY BHD.
(Incorporated in Malaysia)
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, related safeguards.

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

Other 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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Dato' Lock Peng Kuan
No. 02819/10/2022 J
Chartered Accountant

Kuala Lumpur

Date: 18 October 2021

PROPERTIES OWNED BY THE COMPANY AND ITS SUBSIDIARIES

Registered Beneficial Owner	Description and existing use	Location	Tenure	Land Area/ Floor Area	Age of Building (Year)	Net Book Value RM	Date of Acquisition/ Revaluation
Eastern Biscuit Factory Sdn Bhd	2-Level Basement Carpark, 7-Storey Podium Shopping Centre and an 11-storey 4-Star Hotel	Kota Sri Mutiara Jalan Sultan Yahya Petra 15150 Kota Bharu, Kelantan	Freehold	8,068 square metres	23	131,593,700	8/8/2021
Eastern Biscuit Factory Sdn Bhd	Completed condominium 12 units Completed shop lots 20 units	Kota Sri Mutiara Jalan Sultan Yahya Petra 15150 Kota Bharu, Kelantan	Freehold	23,221 square feet	23	4,078,536	8/8/2021
Eastern Biscuit Factory Sdn Bhd	Property development land	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold Expiring in July 2074	48,201 square feet	N/A	317,351	27/04/2009
Eastern Biscuit Factory Sdn Bhd	Land held for sales	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold Expiring in July 2074	196,721 square feet	N/A	7,000,000	30/6/2021
Eastern Biscuit Factory Sdn Bhd	Completed shop houses 17 units 2-storey	Mukim Kuala Lemal Jajahan Pasir Mas Kelantan	Leasehold Expiring in July 2074	27,980 square feet	5	6,505,310	15/5/2016

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2021

Issued and Paid-up Capital	:	RM140,745,334.240 divided into 421,566,039 shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
No. of Shareholders	:	15,441

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 OCTOBER 2021

Size of Shareholdings	No. of Shareholders	Percentage of Shareholders	No. of Shares	Percentage of Issued Share Capital
1 to 99 shares	7,753	50.210%	323,567	0.077%
100 to 1,000 shares	4,379	28.360%	1,297,808	0.308%
1,001 to 10,000 shares	1,818	11.774%	8,507,755	2.018%
10,001 to 100,000 shares	1,194	7.733%	45,166,306	10.714%
100,001 to 21,078,301 shares	296	1.917%	341,034,403	80.897%
21,078,302 and above	1	0.006%	25,236,200	5.986%
TOTAL	**15,441**	**100%**	**421,566,039**	**100%**

DIRECTORS' SHAREHOLDINGS AS AT 1 OCTOBER 2021 (as per Register of Directors' Shareholdings)

Name of Directors	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Lee Chee Kiang	25,236,200	5.986	-	-
Tan Chin Hong	-	-	18,333,928*	4.349
Dato' Lee Wai Mun	-	-	14,044,000**	3.331
Phang Kiew Lim	-	-	-	-
Mohamed Akwal Bin Sultan Mohamad	-	-	-	-
Masleena Binti Zaid	-	-	-	-
Ong Lu Yuan	-	-	-	-

* Indirect interest by virtue of his directorship and shareholding in Prestige Pavilion Sdn. Bhd. and Danhwa Holding Sdn. Bhd. and deemed interest by virtue of shares held by his sister, Adeline Tan Wan Chen and his brother, Tan Chin Hao.

** Deemed interest by virtue of his interest in Leading Ventures Sdn Bhd pursuant to Section 8 of the Companies Act 2016

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2021
cont'd

SUBSTANTIAL SHAREHOLDERS AS AT 1 OCTOBER 2021 (as per Register of Substantial Shareholders)

Name of Substantial Shareholders	No. of Shares (Direct)	%	No. of Shares (Indirect)	%
Lee Chee Kiang	25,236,200	5.986	-	-

THIRTY LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2021

No.	Name	Shareholdings No. of Shares	Percentage
1	**LEE CHEE KIANG**	25,236,200	5.986
2	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR PRESTIGE PAVILION SDN BHD (MY1661)	17,670,000	4.192
3	**LEE MEI ZHEN**	16,214,078	3.846
4	**LIW YOKE @ LIEW YOKE FOH**	16,214,078	3.846
5	**SIM LI YIN**	16,214,078	3.846
6	**WONG KOK KUN**	16,214,078	3.846
7	**LIM WEN YEH**	14,771,263	3.504
8	**LEE WAI MUN**	14,044,000	3.331
9	**CARTABAN NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE BRANCH (BJSSHKBR-CL O L)	11,024,000	2.615
10	**WAN CHEE KONG**	10,823,947	2.568
11	**NG VUI KEE @ VICKY NG**	10,766,900	2.554
12	**CHEONG POH CHOY**	9,740,947	2.311
13	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR CHU SHENG TAUR (PB)	9,119,533	2.163
14	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR RICKOH CORPORATION SDN BHD	9,000,000	2.135
15	**CITIGROUP NOMINEES (TEMPATAN) SDN BHD** EXEMPT AN FOR BANK OF SINGAPORE LIMITED (LOCAL)	8,844,000	2.098
16	**CIMSEC NOMINEES (TEMPATAN) SDN BHD** CIMB FOR CHU JAN TOW (PB)	8,734,813	2.072
17	**MELVINYEO KIANDEE**	8,607,500	2.042
18	**CHONG OI LING**	7,678,000	1.821
19	**CHEW KENG SIEW**	6,680,000	1.585
20	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR CHUNG SOON KONG	6,591,800	1.564

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2021
cont'd

THIRTY LARGEST SHAREHOLDERS AS AT 1 OCTOBER 2021 *(cont'd)*

		Shareholdings	
No.	**Name**	**No. of Shares**	**Percentage**
21	**MAYBANK NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR THONG MENG CHIL	6,480,400	1.537
22	**RHB NOMINEES (TEMPATAN) SDN BHD** **PLEDGED SECURITIES ACCOUNT FOR MAYLEX VENTURES SDN BHD**	5,966,930	1.415
23	**POH SHIOW WOAN**	5,078,521	1.205
24	**TEY CHEE THONG**	4,790,500	1.136
25	**HLIB NOMINEES (TEMPATAN) SDN BHD** HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	3,000,000	0.712
26	**LING HUNG TAH**	2,588,600	0.614
27	**CGS-CIMB NOMINEES (TEMPATAN) SDN BHD** PLEDGED SECURITIES ACCOUNT FOR HII JOON TECK (MQ0439)	2,571,100	0.610
28	**LIM HONG SANG**	2,161,400	0.513
29	**UNIVERSAL TRUSTEE (MALAYSIA) BERHAD**	1,918,032	0.455
30	**WONG YAPP FAH @ CECELLIA WONG**	1,886,700	0.448
	Total	**280,631,398**	**66.569**

EASTLAND EQUITY BHD.

(Registration No. 200001013359 (515965-A))
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held	CDS Account No. of Authorised Nominee

I/We ______________________________ NRIC/Passport/Co. No. ______________
(FULL NAME IN BLOCK LETTERS)

of ____
(ADDRESS)

Email Address ______________________ Tel No. ______________________

being a member of **EASTLAND EQUITY BHD.**, hereby appoint:

Proxy 1 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email :			

Proxy 2 - Full Name in Block Letters	NRIC/Passport No.	No. of shares	% of shareholdings
Address:			
Email :			

or failing him/her, the Chairman of the Meeting, as my/our proxy(ies) to vote for me/us and on my/our behalf at the Twenty-First (“21st”) Annual General Meeting (“AGM”) of the Company, to be held and conduct a fully virtual basis through an online meeting platform and using the Remote Participation and Electronic Voting (“**RPV**”) facilities for the purpose of considering and if though fit, passing the resolutions set out in the AGM Notice:

Meeting Date	:	Tuesday, 30 November 2021
Time	:	10:00 a.m.
Main Venue and Meeting Platform	:	https://meeting.boardroomlimited.my/ (Domain Registration No. with MYNIC - D6A357657)
Mode of Communication	:	(i) Text messaging facilities provided under the online meeting platform during the 21st AGM; or (ii) Submit questions prior to the 21st AGM by emailing to eastlandagm2021@eeb.com.my no later than Sunday, 28 November 2021 at 10:00 a.m.

My/our proxy(ies) shall vote as follows:

No.	Resolutions	For	Against
	Ordinary Resolutions		
1.	To re-elect Mr Lee Chee Kiang as Director		
2.	To re-elect Encik Mohamed Akwal Bin Sultan Mohamad as Director		
3.	To re-elect Mr Ong Lu Yuan as Director		
4.	To re-elect Dato’ Lee Wai Mun as Director		
5.	To approve the Directors’ Fees and Benefit Payable to the Directors amount not exceeding RM500,000.00 for the period from the date of the 21st AGM until the date of the next AGM, to be paid monthly in arrears.		
6.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
7.	To authorise the Directors to allot and issue shares		

[Please indicate with an “X” in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dated this ____________ day of ____________ 2021

____
Signature of Shareholder or Common Seal

Fold This Flap For Sealing

Notes:

Virtual AGM

1. The members are strongly advised to participate and vote remotely at this fully virtual AGM through an online meeting platform and using the facilities provided by the Company's Share Registrar, namely Boardroom Share Registrars Sdn. Bhd. **Please read these Notes carefully and follow the Procedures in the Administrative Guide for the AGM in order to register, participate and vote remotely**.
2. Pursuant to the Guidance and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and corporate representatives ("**Participants**") shall communicate via real time submission of typed text through a text box using the RPV facilities during the live streaming of the AGM as the primary mode of communication.

Members entitled to Attend the AGM

3. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available a Record of Depositors as at 19 November 2021 and only Members whose names appear on such Record of Depositors shall be entitled to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities.

Appointment of Proxy and Registration for Attendance

4. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of 2 proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak (in the form of real time submission of typed texts) and vote via the RPV facilities shall have the same rights as the members to speak at the meeting.
5. Where a member of the Company is an exempt authorised nominee who holds shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. Where a member appoints 2 proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

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AFFIX POSTAGE
STAMP HERE

EASTLAND EQUITY BHD.
(Registration No. 200001013359 (515965-A))

c/o BOARDROOM SHARE REGISTRARS SDN. BHD.
GROUND & 11TH FLOOR, MENARA SYMPHONY
NO. 5, JALAN PROF. KHOO KAY KIM
SEKSYEN 13
46200 PETALING JAYA
SELANGOR DARUL EHSAN
MALAYSIA

1st Fold Here

7. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.
8. The original instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Boardroom Share Registrars Sdn. Bhd. at Ground Floor or 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or email to BSR.Helpdesk@boardroomlimited.com not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
9. Should you wish to personally participate at the AGM remotely, please register electronically via Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com by the registration cut-off date and time. Please refer to the Administrative Guide of the AGM for further details. The Administrative Guide for the AGM is available for download at http://www.eeb.com.my/.

Others

10. All the resolutions set out in the Notice of the AGM will be put to vote by way of poll pursuant to Clause 78 of the Company's Constitution.
11. Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval from shareholders of the Company and hence, Agenda 1 is not put forward for voting.
12. The Board wishes to highlight that the AGM may be re-scheduled and/or adjourned in subject to the development of the Covid-19 pandemic and the Malaysian Government's announcements or guidelines to be issued from time to time. Rest assured, all Participants including invitees shall be kept informed of any unexpected changes.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 October 2021.

EASTLAND EQUITY BHD. [200001013359 (515965-A)]

Suite 8-4, 4th Floor, Medan Makmur
Jalan 9/23A, Off Jalan Usahawan
53300 Setapak, Kuala Lumpur

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Fax: +603 4142 9788

http://www.eeb.com.my/