Financial Statement

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The Directors have the pleasure of submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 7 to the financial statements.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

RESULTS

	Group (RM)	Company (RM)
Profit for the year attributable to:		
- Owners of the Company	1,525,985	94,196,590
- Non-controlling interests	(92,547)	-
	1,433,438	**94,196,590**

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than as discussed in the financial statements.

DIVIDENDS

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2022.

DIRECTORS OF THE COMPANY

The Directors who served during the financial year until the date of this report are:

Tan Sri Dato' Seri Dr. Ting Chew Peh
Ho Wen Yan
Dato' Tan Bing Hua
Chew Po Sim
Chew Hoe Soon
Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum Sultan Mahmud
Ho Wen Fan (alternate director to Chew Po Sim)

DIRECTORS OF THE SUBSIDIARIES

The Directors of the subsidiaries who served during the financial year until the date of this report are:

Ho Wen Yan
Ho Wen Fan
Sa Chee Peng

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
The Company	**At 1.4.2021**	**Bought**	**Sold**	**At 31.3.2022**
Direct interest:				
Tan Sri Dato' Seri Dr. Ting Chew Peh	391,110	-	-	391,110
Ho Wen Yan	1,804,440	-	-	1,804,440
Dato' Tan Bing Hua	70,221	-	-	70,221
Chew Hoe Soon	393,554	-	-	393,554
Deemed interest:				
Tan Sri Dato' Seri Dr. Ting Chew Peh#	336,274	-	-	336,274
Ho Wen Yan*	112,089,294	-	-	112,089,294
Dato' Tan Bing Hua#	200,000	-	-	200,000
Chew Po Sim*	112,089,294	-	-	112,089,294
Chew Hoe Soon^	809,920	-	-	809,920
Ho Wen Fan*	112,089,294	-	-	112,089,294

Ho Wen Yan, Chew Po Sim and Ho Wen Fan by virtue of their interests in the shares of the Company are also deemed interested in the shares of all the Company's subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act 2016.

* Deemed interested through shares held in another corporation, Heng Holdings Sdn. Berhad
\# Deemed interested through spouse.
^ Deemed interested through spouse and children.

DIRECTORS' INTERESTS IN SHARES (CONT'D)

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 25 to the financial statements or the fixed salary of a full time employee of the Company or of related corporations) 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.

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had issued the first tranche of Perpetual Sukuk Musharakah of RM5 million in nominal value under its RM500 million unrated Perpetual Islamic Notes Programme.

The salient features of the Perpetual Sukuk are disclosed in Note 18 to the financial statements.

Other than the above, no new issue of shares or debentures were issued during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of sum insured and premium paid for Directors and officers of the Company are RM10,000,000 and RM7,225 respectively. No indemnity was given to or insurance effected for auditors of the Group during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i. action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

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

OTHER STATUTORY INFORMATION (CONT'D)

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

i. which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

ii. that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

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

iv. not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

ii. any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, except for the share of loss from associate, reversal of impairment in an associate and impairment loss from investment in subsidiaries, the financial performance of the Group and of the Company for the financial year ended 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

The auditors' remuneration is disclosed in Note 23 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 20 July 2022.

Ho Wen Yan
Director

Ho Wen Fan
Director

Kuala Lumpur,

Date: 20 July 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
ASSETS					
Property, plant and equipment	3	9,914,925	12,406,544	3,860,686	4,350,459
Right-of-use assets	4	1,029,247	1,211,374	694,572	598,602
Investment properties	5	1,567,979	1,610,736	1,770,366	1,816,424
Intangible assets	6	17,645,542	16,252,370	-	-
Investments in subsidiaries	7	-	-	205,607,757	229,067,439
Investment in an associate	8	-	60,705,064	-	-
Other investment	9	44,757,124	-	-	-
Inventories	10	580,122,191	587,450,277	6,709,461	6,706,961
Trade and other receivables	11	3,001,430	5,351,368	35,047	43,052
Cash and bank balances	12	8,238,629	8,100,230	5,373,432	5,273,432
Deferred tax assets	13	18,186,867	19,028,970	2,342,667	2,342,667
Total non-current assets		**684,463,934**	**712,116,933**	**226,393,988**	**250,199,036**
Inventories	10	105,634,470	117,239,874	251,338	251,338
Contract assets	14	28,832,465	37,549,263	-	-
Contract costs	14	14,139,058	9,291,810	-	-
Other current assets	15	1,218,528	1,248,851	1,023,387	1,233,550
Trade and other receivables	11	39,819,222	34,419,197	306,005,428	304,496,579
Tax recoverable		-	-	8,216	-
Cash and bank balances	12	9,823,969	60,870,681	767,990	941,075
Total current assets		**199,467,712**	**260,619,676**	**308,056,359**	**306,922,542**
Total assets		**883,931,646**	**972,736,609**	**534,450,347**	**557,121,578**

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
EQUITY					
Share capital	16	352,000,000	352,000,000	352,000,000	352,000,000
Retained earnings/(Accumulated losses)		93,491,092	91,965,107	(49,901,855)	(144,098,445)
Fair value reserves	17	(9,774,544)	-	-	-
Translation reserves	17	(5,345,000)	(3,959,000)	-	-
Equity attributable to owners of the Company		**430,371,548**	**440,006,107**	**302,098,145**	**207,901,555**
Perpetual sukuk	18	4,259,033	-	4,259,033	-
Non-controlling interests		22,322,295	22,414,842	-	-
Total equity		**456,952,876**	**462,420,949**	**306,357,178**	**207,901,555**
LIABILITIES					
Trade and other payables	19	29,873,109	35,725,890	-	-
Deferred tax liabilities	13	33,883,169	34,849,838	-	-
Loans and borrowings	20	200,594,646	223,897,292	69,439,022	78,991,452
Lease liabilities		120,787	381,408	88,025	161,937
Total non-current liabilities		**264,471,711**	**294,854,428**	**69,527,047**	**79,153,389**
Trade and other payables	19	104,946,750	136,092,381	123,898,884	221,540,178
Contract liabilities	14	-	3,517,291	-	-
Loans and borrowings	20	52,491,532	68,362,059	34,438,523	46,702,992
Lease liabilities		550,362	690,467	228,715	295,643
Current tax liabilities		4,518,415	6,799,034	-	1,527,821
Total current liabilities		**162,507,059**	**215,461,232**	**158,566,122**	**270,066,634**
Total liabilities		**426,978,770**	**510,315,660**	**228,093,169**	**349,220,023**
Total equity and liabilities		**883,931,646**	**972,736,609**	**534,450,347**	**557,121,578**

The note on pages 84 to 161 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Revenue	21	120,188,481	159,559,934	129,477,000	29,107,600
Cost of sales		(70,958,181)	(136,534,047)	-	-
Gross profit		**49,230,300**	**23,025,887**	**129,477,000**	**29,107,600**
Other income	22	1,665,664	2,069,676	5,175,619	8,725,126
Administrative expenses		(20,785,420)	(34,561,917)	(7,049,188)	(17,286,810)
Selling and marketing expenses		(8,430,784)	(9,937,620)	-	-
Net (loss)/reversal on impairment of:					
- financial instruments		(1,942,986)	(11,901)	(1,260,395)	(1,900,000)
- intangible assets		2,014,417	(30,833)	-	-
- investment in an associate		1,467,604	28,808,858	-	-
- investments in an subsidiaries		-	-	(23,459,682)	(18,767,603)
Profit/(Loss) from operations	23	**23,218,795**	**9,362,150**	**102,883,354**	**(121,687)**
Finance costs	24	(9,254,178)	(11,842,640)	(10,163,007)	(10,606,944)
Share of loss of equity-accounted associate, net of tax		(6,255,000)	(46,696,000)	-	-
Profit/(Loss) before tax		**7,709,617**	**(49,176,490)**	**92,720,347**	**(10,728,631)**
Tax expense	26	(6,276,179)	(3,305,409)	1,476,243	(302,501)
Profit/(Loss) for the year		**1,433,438**	**(52,481,899)**	**94,196,590**	**(11,031,132)**

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Other comprehensive (loss)/income, net of tax					
Items that are or may be reclassified subsequently to profit or loss					
Share of other comprehensive (loss)/gain of equity-accounted associate		(1,386,000)	3,997,000	-	-
Item that will not be reclassified subsequently to profit or loss					
Net changes in fair value of equity investment designated at fair value through other comprehensive income ("FVTOCI")		(9,774,544)	-	-	-
Total comprehensive (loss)/profit		**(9,727,106)**	**(48,484,899)**	**94,196,590**	**(11,031,132)**
Profit/(Loss) attributable to:					
Owners of the Company		1,525,985	(52,399,675)	94,196,590	(11,031,132)
Non-controlling interests		(92,547)	(82,224)	-	-
Profit/(Loss) for the year		**1,433,438**	**(52,481,899)**	**94,196,590**	**(11,031,132)**
Total comprehensive (loss)/ profit attributable to:					
Owners of the Company		(9,634,559)	(48,402,675)	94,196,590	(11,031,132)
Non-controlling interests		(92,547)	(82,224)	-	-
Total comprehensive (loss)/profit for the year		**(9,727,106)**	**(48,484,899)**	**94,196,590**	**(11,031,132)**
Basic earning/(loss) per ordinary share (sen)	27	**0.43**	**(14.89)**		
Diluted earning/(loss) per ordinary share (sen)	27	**0.43**	**(14.89)**		

The notes on pages 84 to 161 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

Group	Share capital (RM)	Non-distributable Translation reserves (RM)	Distributable Retained earnings (RM)	Total (RM)	Non-controlling interests (RM)	Total equity (RM)
	Attributable to owners of the Company					
At 1 April 2020	**352,000,000**	**(7,956,000)**	**144,364,782**	**488,408,782**	**22,497,066**	**510,905,848**
Total other comprehensive loss for the year						
- Share of gain of equity-accounted associate	-	3,997,000	-	3,997,000	-	3,997,000
Loss for the year	-	-	(52,399,675)	(52,399,675)	(82,224)	(52,481,899)
Total comprehensive loss for the year	**-**	**3,997,000**	**(52,399,675)**	**(48,402,675)**	**(82,224)**	**(48,484,899)**
At 31 March 2021	**352,000,000**	**(3,959,000)**	**91,965,107**	**440,006,107**	**22,414,842**	**462,420,949**
	Note 16	Note 17				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

Group	Share capital (RM)	Translation reserves (RM)	Fair value reserve (RM)	Retained earnings (RM)	Total (RM)	Non-controlling interests (RM)	Perpetual sukuk (RM)	Total equity (RM)
	Attributable to owners of the Company							
		Non-distributable		Distributable				
At 1 April 2021	**352,000,000**	**(3,959,000)**	**-**	**91,965,107**	**440,006,107**	**22,414,842**	**-**	**462,420,949**
Total other comprehensive loss for the year								
- Share of loss of equity-accounted associate	-	(1,386,000)	-	-	(1,386,000)	-	-	(1,386,000)
- Net changes in fair value of equity investment designated at FVTOCI	-	-	(9,774,544)	-	(9,774,544)	-	-	(9,774,544)
Profit for the year	-	-	-	1,525,985	1,525,985	(92,547)	-	1,433,438
Total comprehensive loss for the year	**-**	**(1,386,000)**	**(9,774,544)**	**1,525,985**	**(9,634,559)**	**(92,547)**	**-**	**(9,727,106)**
Transaction with owners: - Issuance of perpetual sukuk (net of expense)	-	-	-	-	-	-	4,259,033	4,259,033
At 31 March 2022	**352,000,000**	**(5,345,000)**	**(9,774,544)**	**93,491,092**	**430,371,548**	**22,322,295**	**4,259,033**	**456,952,876**
	Note 16	Note 17	Note 17					

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

Company	Attributable to owners of the Company Share capital (RM)	(Accumulated losses) (RM)	Perpetual sukuk (RM)	Total equity (RM)
At 1 April 2020	**352,000,000**	**(133,067,313)**	**-**	**218,932,687**
Loss and total comprehensive loss for the year	-	(11,031,132)	-	(11,031,132)
At 31 March 2021	**352,000,000**	**(144,098,445)**	**-**	**207,901,555**
At 1 April 2021	**352,000,000**	**(144,098,445)**	**-**	**207,901,555**
Profit and total comprehensive income for the year	-	94,196,590	-	94,196,590
Transaction with owners: - Issuance of perpetual sukuk (net of expense)	-	-	4,259,033	4,259,033
At 31 March 2022	**352,000,000**	**(49,901,855)**	**4,259,033**	**306,357,178**
	Note 16			

The notes on pages 84 to 161 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Cash flows from operating activities					
Profit/(Loss) before tax		7,709,617	(49,176,490)	92,720,347	(10,728,631)
Adjustments for:					
Amortisation of intangible assets	6	621,245	598,927	-	-
Depreciation of:					
- investment properties	5	42,757	42,758	46,058	46,057
- property, plant and equipment	3	2,497,305	2,522,802	494,562	503,588
- right-of-use assets	4	550,485	888,944	54,933	263,100
Deposit written off		-	132,820	-	-
Deposit forfeited	22	(282,515)	(137,370)	-	-
Dividend income	21	-	-	(124,500,000)	(25,000,000)
Finance income	22	(258,459)	(435,684)	(5,077,515)	(8,619,834)
Finance costs	24	9,254,178	11,842,640	10,163,007	10,606,944
Loss/(Gain) on disposal of property, plant and equipment		10,823	(50)	-	-
Inventories written down		-	1,098,347	-	-
Loss on/(Reversal of) impairment loss:					
- amount due from subsidiaries		-	-	1,260,395	-
- other receivables		1,900,000	-	-	1,900,000
- trade receivables		42,986	11,901	-	-
- intangible assets		(2,014,417)	30,833	-	-
- investment in an associate		(1,467,604)	(28,808,858)	-	-
- investment in subsidiaries		-	-	23,459,682	18,767,603
Amount carried down		**18,606,401**	**(61,388,480)**	**(1,378,531)**	**(12,261,173)**

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2022

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Cash flows from operating activities (continued)				
Amount brought down	**18,606,401**	**(61,388,480)**	**(1,378,531)**	**(12,261,173)**
Property, plant and equipment written off	9,398	30,297	-	3
Share of loss of equity-accounted associate	6,255,000	46,696,000	-	-
Operating profit/(loss) before changes in working capital	**24,870,799**	**(14,662,183)**	**(1,378,531)**	**(12,261,170)**
Changes in working capital:				
- Contract assets	8,716,798	22,480,835	-	-
- Contract costs	(4,847,248)	155,245	-	-
- Contract liabilities	(3,517,291)	(18,254,709)	-	-
- Inventories	23,432,259	73,349,732	(2,500)	-
- Trade and other receivables and other current assets	(4,622,400)	19,900,317	(20,041)	(1,133,610)
- Trade and other payables and other current liabilities	(36,896,836)	(2,064,987)	(58,193)	10,951,612
Cash generated from/(used in) operations	**7,136,081**	**80,904,250**	**(1,459,265)**	**(2,443,168)**

STATEMENTS OF CASH FLOWS (CONT'D)

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Cash flows from operating activities (continued)					
Cash generated from/(used in) operations		**7,136,081**	**80,904,250**	**(1,459,265)**	**(2,443,168)**
Interest paid		(1,222,607)	(1,276,536)	(748,142)	(741,944)
Interest received		99,048	355,781	5,077,515	8,618,423
Net tax (paid)/refund		(8,681,364)	(3,390,046)	(59,794)	(22,888)
Net cash (used in)/from operating activities		**(2,668,842)**	**76,593,449**	**2,810,314**	**5,410,423**
Cash flows from investing activities					
Additions of:					
- property, plant and equipment	3	(28,293)	(390,544)	(4,789)	(2,890)
- intangible assets	6	-	(100,000)	-	-
Net advances given to subsidiaries		-	-	(2,531,035)	(48,954,924)
Dividends received		-	-	124,500,000	25,000,000
Proceeds from disposal of property, plant and equipment		2,386	51	-	-
Net cash (used in)/from investing activities		**(25,907)**	**(490,493)**	**121,964,176**	**(23,957,814)**

STATEMENTS OF CASH FLOWS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group		Company	
		2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Cash flows from financing activities					
Change in pledged deposits		(138,399)	(4,458,363)	(100,000)	(4,411,467)
Interest paid		(11,893,358)	(15,213,675)	(7,305,857)	(6,979,484)
Drawdown of loans and borrowings		17,626,222	56,340,000	10,000,000	29,540,000
Proceeds from issuance of perpetual sukuk, net of expenses		4,259,033	-	4,259,033	-
Repayment of loans and borrowings		(59,837,372)	(80,746,508)	(32,070,552)	(21,130,005)
Payment of lease liabilities	ii	(769,084)	(1,097,968)	(291,743)	(459,235)
Advances received from subsidiaries		-	-	(99,692,109)	21,804,256
Net cash (used in)/from financing activities		**(50,752,958)**	**(45,176,514)**	**(125,201,228)**	**18,364,065**
Net (decrease)/increase in cash and cash equivalents		**(53,447,707)**	**30,926,442**	**(426,738)**	**(183,326)**
Cash and cash equivalents at the beginning of year		**38,153,295**	**7,226,853**	**(13,825,244)**	**(13,641,918)**
Cash and cash equivalents at the end of year	i	**(15,294,412)**	**38,153,295**	**(14,251,982)**	**(13,825,244)**

i. Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Deposits		3,138,629	3,100,230	273,432	273,432
Cash in hand and at bank		14,923,969	65,870,681	5,867,990	5,941,075
Cash and bank balances	12	18,062,598	68,970,911	6,141,422	6,214,507
Less: Pledged deposits	12	(8,238,629)	(8,100,230)	(5,373,432)	(5,273,432)
Less: Bank overdrafts	20	(25,118,381)	(22,717,386)	(15,019,972)	(14,766,319)
		(15,294,412)	**38,153,295**	**(14,251,982)**	**(13,825,244)**

ii. Cash outflows for leases as a lessee

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Included in net cash from operating activities				
Payment relating to short-term leases	(242,070)	(224,400)	-	-
Payment relating to leases of low-value assets	(102,897)	(102,082)	(51,684)	(32,336)
Interest paid in relation to lease liabilities	(29,963)	(63,394)	(4,227)	(14,812)
Included in net cash from financing activities				
Payment of lease liabilities	(769,084)	(1,097,968)	(291,743)	(459,235)
Total cash outflows for leases	**(1,144,014)**	**(1,487,844)**	**(347,654)**	**(506,383)**

The notes on pages 84 to 161 are an integral part of these financial statements.

Hua Yang Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business/Registered office
C-21, Jalan Medan Selayang 1
Medan Selayang
68100 Batu Caves
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in associates. The financial statements of the Company as at and for the year ended 31 March 2022 do not include other entities.

The Company is principally engaged in investment holding, property development and provision of management services whilst the principal activities of the subsidiaries are stated in Note 7. There have been no significant changes in the nature of these activities during the financial year.

These financial statements were authorised for issue by the Board of Directors on 20 July 2022.

1. Basis of preparation

a. Statement of compliance

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

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendment to MFRS 16	COVID-19 - Related Rent Concessions
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendment to MFRS 16	COVID-19 - Related Rent Concessions beyond 30 June 2021

The adoption of the new and amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

1. Basis of preparation (cont'd)

a. Statement of compliance (cont'd)

Standards issued but not yet effective

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	Amendments to MFRS 1 Amendments to MFRS 9 Amendments to Illustrative Examples accompanying MFRS 16 Amendments to MFRS 141	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Polices	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs when they become effective.

The initial application of the abovementioned accounting standards and amendments are not expected to have any material financial impact to the current period and prior period financial statements of the Group and of the Company.

1. Basis of preparation (cont'd)

b. Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

c. Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

d. Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2(e) and Note 4 - determining the lease term of contracts with renewal and termination options
- Note 2(l)(ii) and Note 6 - impairment of intangible assets
- Note 2(l)(ii) and Note 7 - impairment of investments in subsidiaries
- Note 2(a) and Note 8 - loss of significant influence in an associate
- Note 2(l) and Note 8 - impairment of investment in an associate
- Note 2(c)(ii) and Note 9 - fair value on financial instruments
- Note 2(g), 2(h) and Note 10 - classification between investment properties and inventories
- Note 2(h) and Note 10 - valuation of inventories
- Note 2(l) and Note 11 - provision of expected credit loss of financial assets at amortised cost
- Note 2(r) and Note 13 - valuation of deferred tax assets
- Note 2(p)(i) and Note 21 - sales of development properties
- Note 2(q) and Note 24 - capitalisation of borrowing costs

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

a. Basis of consolidation

i. Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(ii) to the financial statements on impairment of non-financial assets.

ii. Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

For each business combination, the Group elects whether it measures the 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.

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.

iii. Changes in non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

2. Significant accounting policies (cont'd)

a. Basis of consolidation (cont'd)

iv. Associates

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

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

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

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

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of the investment includes transaction costs. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(l)(ii) to the financial statements on impairment of non-financial assets.

v. Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

vi. 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.

2. Significant accounting policies (cont'd)

b. Foreign currency

Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve ("FCTR") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

c. Financial instruments

i. Recognition and initial measurement

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

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

ii. Financial instrument categories and subsequent measurement

Financial assets

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

a. Amortised cost

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

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(l)(i)) where the effective interest rate is applied to the amortised cost.

b. Fair value through other comprehensive income ("FVTOCI")

Debt instruments

A debt security is measured at FVTOCI if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Significant accounting policies (cont'd)

c. Financial instruments (cont'd)

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

Financial assets (cont'd)

b. Fair value through other comprehensive income ("FVTOCI") (cont'd)

Equity instruments

On initial recognition of an equity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unrealised gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

During the financial year, the Group has reclassified its investment in an associate to other investment and designated it as FVTOCI.

The Group and the Company have not designated any financial assets as fair value through profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at FVTOCI are subject to impairment assessment (see Note 2(l)(i)).

Financial liabilities

Amortised cost

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

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

iii. Financial guarantee contracts

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

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

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

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

2. Significant accounting policies (cont'd)

c. Financial instruments (cont'd)

iv. Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of 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 expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

d. Property, plant and equipment

i. Recognition and measurement

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, 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 (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

ii. Subsequent costs

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

2. Significant accounting policies (cont'd)

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

iii. Depreciation

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

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows:

• Long-term leasehold land	96 years
• Buildings	5 - 50 years
• Furniture, fittings, office equipment and renovation	10 years
• Motor vehicles	5 years

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

e. Leases

i. Definition of a lease

A contract is, or contains, a lease if the contract conveys a 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 assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

ii. Recognition and initial measurement

a. As a lessee

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

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

2. Significant accounting policies (cont'd)

e. Leases (cont'd)

ii. Recognition and initial measurement (cont'd)

a. As a lessee (cont'd)

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

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that are linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

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

b. As a lessor

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

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

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

iii. Subsequent measurement

a. As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (cont'd)

e. Leases (cont'd)

iii. Subsequent measurement (cont'd)

b. As a lessor

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments* (see note 2(l)(i)).

f. Intangible assets

i. Goodwill

Goodwill arises on business combination is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates.

ii. Other intangible assets

Other intangible assets, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

iii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill is recognised in profit or loss as incurred.

iv. Amortisation

Goodwill and intangible asset with indefinite useful lives are not amortised but are tested for impairment annually and whenever there is an indication that they may be impaired.

Concession assets are amortised from the date they are available for use. Amortisation is based on the cost of the concession assets less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of the concession assets.

The estimated useful lives of concession assets for the current and comparative periods are 20 to 30 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

2. Significant accounting policies (cont'd)

g. Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. These include freehold land and leasehold land which in substance is a finance lease held for a currently undetermined future use. Investment properties measured at cost less any accumulated depreciation and any accumulated impairment losses are accounted for similarly to property, plant and equipment.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rates are:

Freehold buildings	2%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount (see Note 2(l)(ii)).

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

h. Inventories

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

i. Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value can not be determined reliably, these inventories will be stated at the lower of cost or fair value costs to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

2. Significant accounting policies (cont'd)

h. Inventories (cont'd)

ii. Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expenses in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

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

iii. Other inventories

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the land, development and conversion costs and other costs incurred in bringing them to their existing location and condition.

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.

i. Contract asset / Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(l)(i)).

A contract liability is stated at cost and represents the obligation of the Group or of the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

j. Contract cost

i. Incremental cost of obtaining a contract

The Group or the Company recognises incremental costs of obtaining contracts when the Group or the Company expects to recover these costs.

ii. Cost to fulfil a contract

The Group or the Company recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group or of the Company, will be used in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit and loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

2. Significant accounting policies (cont'd)

k. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

l. Impairment

i. Financial assets

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

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, 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 historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events 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.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost 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 the financial assets have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. 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 procedures for recovery amounts due.

ii. Other assets

The carrying amounts of other assets (except for inventories, contract assets, lease receivable and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

2. Significant accounting policies (cont'd)

l. Impairment (cont'd)

ii. Other assets (cont'd)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

m. Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

i. Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

ii. Ordinary shares

Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

iii. Perpetual Sukuk

Perpetual Sukuk is classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the Group. Cost directly attributable to the issuance of the instrument, net of tax, are treated as a deduction from the proceeds. Distribution on Perpetual Sukuk is recognised in equity in the period in which they are paid.

Perpetual Sukuk holders' entitlement is accounted for as a distribution recognised in the statements of changes in equity in the period in which is declared.

2. Significant accounting policies (cont'd)

n. Employee benefits

i. Short-term employee benefits

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

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

ii. State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

o. Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

p. Revenue and other income

i. Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

a. the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

b. the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c. the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

ii. Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

iii. Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

2. Significant accounting policies (cont'd)

p. Revenue and other income (cont'd)

iv. Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

q. Borrowing costs

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

Borrowing costs 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.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

r. Income tax

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

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

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

2. Significant accounting policies (cont'd)

s. Earnings per ordinary share

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

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the 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, which comprise convertible notes and share options granted to employees.

t. Operating segments

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

u. Fair value measurement

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 non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

Level 3: unobservable inputs for the asset or liability.

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

3. Property, plant and equipment

Group	Land (RM)	Land (right-of-use) (RM)	Buildings (RM)	Furniture, fittings, office equipment and renovation (RM)	Motor vehicles (RM)	Total (RM)
Cost						
At 1 April 2020	514,310	1,572,744	12,173,378	9,896,110	8,250	24,164,792
Additions	-	-	-	390,544	-	390,544
Disposals	-	-	-	(4,950)	-	(4,950)
Write off	-	-	-	(90,408)	-	(90,408)
At 31 March 2021/1 April 2021	514,310	1,572,744	12,173,378	10,191,296	8,250	24,459,978
Additions	-	-	-	28,293	-	28,293
Disposals	-	-	-	(38,283)	-	(38,283)
Write off	-	-	-	(27,485)	-	(27,485)
At 31 March 2022	**514,310**	**1,572,744**	**12,173,378**	**10,153,821**	**8,250**	**24,422,503**
Depreciation						
At 1 April 2020	-	206,113	3,623,895	5,758,436	7,248	9,595,692
Depreciation for the year	-	16,211	1,527,302	979,289	-	2,522,802
Disposals	-	-	-	(4,949)	-	(4,949)
Write off	-	-	-	(60,111)	-	(60,111)
At 31 March 2021/1 April 2021	-	222,324	5,151,197	6,672,665	7,248	12,053,434
Additions	-	16,495	1,569,282	911,528	-	2,497,305
Disposals	-	-	-	(25,074)	-	(25,074)
Write off	-	-	-	(18,087)	-	(18,087)
At 31 March 2022	**-**	**238,819**	**6,720,479**	**7,541,032**	**7,248**	**14,507,578**
Carrying amount						
At 31 March 2021	**514,310**	**1,350,420**	**7,022,181**	**3,518,631**	**1,002**	**12,406,544**
At 31 March 2022	**514,310**	**1,333,925**	**5,452,899**	**2,612,789**	**1,002**	**9,914,925**

3. Property, plant and equipment (cont'd)

Company	Land (right-of-use) (RM)	Buildings (RM)	Furniture, fittings, office equipment and renovation (RM)	Total (RM)
Cost				
At 1 April 2020	1,254,000	2,490,204	6,003,327	9,747,531
Additions	-	-	2,890	2,890
Write off	-	-	(3,178)	(3,178)
At 31 March 2021/1 April 2021	1,254,000	2,490,204	6,003,039	9,747,243
Additions	-	-	4,789	4,789
At 31 March 2022	**1,254,000**	**2,490,204**	**6,007,828**	**9,752,032**
Depreciation				
At 1 April 2020	169,480	612,272	4,114,619	4,896,371
Depreciation for the year	13,063	49,804	440,721	503,588
Write off	-	-	(3,175)	(3,175)
At 31 March 2021/1 April 2021	182,543	662,076	4,552,165	5,396,784
Depreciation for the year	13,063	49,804	431,695	494,562
At 31 March 2022	**195,606**	**711,880**	**4,983,860**	**5,891,346**
Carrying amount				
At 31 March 2021	**1,071,457**	**1,828,128**	**1,450,874**	**4,350,459**
At 31 March 2022	**1,058,394**	**1,778,324**	**1,023,968**	**3,860,686**

Securities

Land and buildings of the Group and of the Company amounting to RM3,725,969 (2021: RM3,803,138) and RM2,836,718 (2021: RM2,899,585) respectively have been charged as securities for bank borrowings granted (see Note 20).

Land (right-of-use)

The Group and the Company leased several plots of land from the government that runs for 99 years. Lease payments are paid at inception of the leases.

4. Right-of-uses assets

	Note	Buildings (RM)	Office equipment (RM)	Total (RM)
Group				
At 1 April 2020		363,192	356,159	719,351
Additions		782,213	611,271	1,393,484
Derecognition		-	(12,517)	(12,517)
Depreciation for the year	21	(646,301)	(242,643)	(888,944)
At 31 March 2021/1 April 2021		499,104	712,270	1,211,374
Additions		241,496	150,903	392,399
Derecognition		(22,346)	(1,695)	(24,041)
Depreciation for the year	21	(405,844)	(144,641)	(550,485)
At 31 March 2022		**312,410**	**716,837**	**1,029,247**
Company				
At 1 April 2020		-	257,647	257,647
Additions		-	604,055	604,055
Depreciation for the year	21	-	(263,100)	(263,100)
At 31 March 2021/1 April 2021		-	598,602	598,602
Additions		-	150,903	150,903
Depreciation for the year	21	-	(54,933)	(54,933)
At 31 March 2022		**-**	**694,572**	**694,572**

The Group and the Company leased a number of premises and office equipment that run between one to five years, with an option to renew the lease after that expiry date.

As the leases are not material, hence no further disclosures are presented.

5. Investment properties

	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Cost				
At beginning/end of year	2,262,959	2,262,959	2,538,367	2,538,367
Depreciation				
At beginning of year	652,223	609,465	721,943	675,886
Depreciation for the year	42,757	42,758	46,058	46,057
At end of year	**694,980**	**652,223**	**768,001**	**721,943**
Carrying amount				
At end of year	**1,567,979**	**1,610,736**	**1,770,366**	**1,816,424**
Included in the above are:				
Freehold land	51,189	51,189	235,495	235,495
Buildings	1,516,790	1,559,547	1,534,871	1,580,929
	1,567,979	**1,610,736**	**1,770,366**	**1,816,424**
Fair value				
At end of year	**5,681,000**	**5,681,000**	**6,740,000**	**6,740,000**

Investment properties comprise a number of commercial properties that are leased to third parties and car park lots. Each of the leases contains an initial non-cancellable period of 3 years. Subsequent renewals will be negotiated with the lessee and on average, the renewal periods are 3 years. No contingent rents are charged.

Assets held in trust

Investment properties of the Company amounting to RM304,795 (2021: RM308,095) are held in trust by a subsidiary.

Securities

Investment properties of the Group and of the Company amounting to RM1,465,571 (2021: RM1,508,328) have been charged as securities for bank borrowings granted (see Note 20).

5. Investment properties (cont'd)

Transactions recognised in profit or loss

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

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Rental income	21,780	19,500	52,980	50,700
Other income	45,124	54,536	45,124	54,536
	66,904	**74,036**	**98,104**	**105,236**
Direct operating expenses:				
- income generating investment properties	1,241	1,241	3,972	3,972

Fair value information

Fair value of investment properties is categorised as Level 3 of the fair value hierarchy. Level 3 fair value of warehouse land and buildings have been generally derived using independent valuation performed by external independent valuer. The basis of this valuation is the sales comparison approach whereby sales price of comparable warehouse land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

There were no transfers between levels during current and previous financial year.

6. Intangible assets

Group	Goodwill (RM)	Concession assets (RM)	Franchisee fee (RM)	Total (RM)
Cost				
At 1 April 2020	16,776,492	15,886,881	-	32,663,373
Additions	-	-	100,000	100,000
At 31 March 2021/At 31 March 2022	**16,776,492**	**15,886,881**	**100,000**	**32,763,373**
Amortisation				
At 1 April 2020	-	(6,176,062)	-	(6,176,062)
Amortisation for the year	-	(562,260)	(36,667)	(598,927)
At 31 March 2021/1 April 2021	-	(6,738,322)	(36,667)	(6,774,989)
Amortisation for the year	-	(611,245)	(10,000)	(621,245)
At 31 March 2022	**-**	**(7,349,567)**	**(46,667)**	**(7,396,234)**
Impairment loss				
At 1 April 2020	(7,180,023)	(2,525,158)	-	(9,705,181)
Impairment losses	-	-	(30,833)	(30,833)
At 31 March 2021/1 April 2021	(7,180,023)	(2,525,158)	(30,833)	(9,736,014)
Reversal of impairment losses	-	2,014,417	-	2,014,417
At 31 March 2022	**(7,180,023)**	**(510,741)**	**(30,833)**	**(7,721,597)**
Carrying amount				
At 31 March 2021	**9,596,469**	**6,623,401**	**32,500**	**16,252,370**
At 31 March 2022	**9,596,469**	**8,026,573**	**22,500**	**17,645,542**
	Note 6.1	Note 6.2		

6. Intangible assets (cont'd)

6.1 Impairment testing for cash-generating units containing goodwill

Allocation of goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level of cash-generating units within the Group at which the goodwill is monitored for internal management purposes.

The aggregated carrying amounts of goodwill allocated to each cash-generating unit are as follows:

Group	Note	2022 (RM)	2021 (RM)
Property development			
Penang	6.1.1	2,320,967	2,320,967
Johor	6.1.1	5,288,485	5,288,485
Operation of concession assets	6.1.2	1,987,017	1,987,017
		9,596,469	**9,596,469**

6.1.1 Property development

The recoverable amounts of the property development cash-generating units in Penang and Johor were estimated based on their value in use, determined by discounting future cash flows to be generated from the development properties in the respective cash-generating units. The same method has been used in the previous financial year in respect of property development cash-generating units in Penang and Johor.

No impairment loss was recognised in respect of the property development cash-generating units located in Penang and Johor.

Value in use was determined by discounting the future cash flows expected to be generated from the development properties based on the following key assumptions:

- Cash flows were projected based on the gross development profits expected to be derived from the approved development plan over the development period for the next 1 to 7 years (2021: 1 to 8 years).
- The gross development profit margins were expected to be ranging from 19% to 35% (2021: 19% to 35%).
- A pre-tax discount rate of 12.0% (2021: 12.0%) was applied in determining the recoverable amount of the units.

The values assigned to the key assumptions represent management's assessment of future trends in the property development industry and are determined based on both external sources and internal sources (historical data).

The sensitivity analysis is presented as follows.

- An increase of 1% (2021: 1%) in the discount rate would increase impairment loss by RM7,212,000 (2021: RM7,212,000).
- A 5% (2021: 5%) decrease in future development profit would have increased the impairment loss by RM9,296,000 (2021: RM9,296,000).

6. Intangible assets (cont'd)

6.1 Impairment testing for cash-generating units containing goodwill (cont'd)

6.1.2 Operation of concession assets

The recoverable amount of the operation of concession assets cash-generating unit was estimated based on their value in use, determined by discounting future cash flows to be generated from the operation of concession assets.

Value in use was determined by discounting the future cash flows expected to be generated from the operation of concession assets cash-generating unit over the remaining concession period of 6 to 19 years (2021: 7 to 20 years) based on the following key assumptions:

- Cash flows were projected based on past rental received and actual operating results.
- Rental is expected to be derived from 88% to 100% tenant take-up rate (2021: 95% to 100% tenant take-up rate attained latest by April 2021). Rental is also anticipated to grow by 3% to 10% for every 2 to 5 years (2021: 3% to 10% every 2 to 5 years).
- A pre-tax discount rate of 10% (2021: 10%) was applied in determining the recoverable amount of the unit. The discount rate was estimated based on the industry weight average cost of capital, adjusted for the risk premium associated to the assets.

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

The sensitivity analysis is presented as follows.

- An increase of 1% (2021: 1%) in the discount rate would not increase impairment loss (2021: no impairment loss).
- A 5% (2021: 5%) decrease in future annual rental income due to decrease in tenant take-up rate or annual rental growth would not increase impairment loss (2021: no impairment loss).

6.2 Concession assets

Concession assets relate to rights to use land owned by the local authorities granted to the Group in agreements to build, operate and transfer ("BOT") commercial properties on the said land between the Group and the local authorities. Under these agreements, the Group has the right to collect rental income from the operation of these commercial properties over the concession period of 20 to 30 years. Upon expiry of the agreement, the commercial properties will be transferred to the local authorities, unless extensions are granted.

In the event that the local authorities intend to re-develop, privatise or sell the commercial properties upon expiry of the concession period, the Group has the first right of refusal to participate.

6. Intangible assets (cont'd)

6.2 Concession assets (cont'd)

6.2.1 Impairment loss on concession assets

The recoverable amount of the concession assets was estimated based on value in use method then. The recoverable amount of the concession assets and the impairment loss allocated are as follow:

Group	2022 (RM)	2021 (RM)
Recoverable amount of concession assets	**8,026,573**	**6,623,401**

Value in use was determined using the same basis and key assumptions as disclosed in Note 6.1.2 over the remaining concession period of the concession assets of 6 to 19 years (2021: 7 to 20 years).

The values assigned to the key assumptions represent management's assessment of future trends in the operation of concession assets and are determined based on both external sources and internal sources (historical data).

Following the impairment in these concession assets, the carrying amount is similar to its recoverable amount. Therefore, any adverse change in a key assumption may result in a further impairment loss.

7. Investments in subsidiaries

Company	2022 (RM)	2021 (RM)
Cost - Unquoted shares		
At beginning of year	391,931,846	175,931,846
Subscription of new shares	-	216,000,000
At end of year	**391,931,846**	**391,931,846**
Impairment loss		
At beginning of year	162,864,407	8,078,004
Transfer from impairment loss on amount due from subsidiaries (Note 11)	-	136,018,800
Recognised in profit or loss	23,459,682	18,767,603
At end of year	**186,324,089**	**162,864,407**
Carrying amount		
At beginning of year	**229,067,439**	**167,853,842**
At end of year	**205,607,757**	**229,067,439**

Impairment loss

The Company recognised full impairment loss in respect of certain investments in subsidiaries as these subsidiaries are continuously loss making and have reported deficits in shareholders' fund and the Group has determined the recoverable amount to be RM Nil.

In previous financial year, the Company subscribed to additional 216,000,000 shares issued by Prisma Pelangi Sdn. Bhd. ("Prisma Pelangi") for a total consideration of RM216,000,000 settled by offsetting amount due from Prisma Pelangi of RM216,000,000. The Company recorded an allowance for impairment of RM136,018,800 against this amount due from Prisma Pelangi in prior year, hence this allowance for impairment has been transferred to as impairment allowance for investments in subsidiaries.

7. Investments in subsidiaries (cont'd)

Details of the subsidiaries

Name of subsidiary	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2022 %	2021 %
Yong Lian Realty Sendirian Berhad #	Malaysia	Property development and acting as construction contractors	100	100
Daya Niaga Sdn. Bhd. #	Malaysia	Trading of building materials	100	100
Grandeur Park Sdn. Bhd.	Malaysia	Property development	100	100
Prisma Pelangi Sdn. Bhd. #	Malaysia	Property development	100	100
Agro-Mod Industries Sdn. Bhd.	Malaysia	Property development and provision of management services	100	100
Tinggian Development Sendirian Berhad	Malaysia	Provision of management services and property development	100	100
Pembinaan Hua Yang Sdn. Bhd. #	Malaysia	Building contractor	100	100
Johanjana Corporation Sdn. Bhd.	Malaysia	Operation of commercial properties under the "build, operate and transfer" agreements with local authorities	100	100
Bison Holdings Sdn. Bhd.	Malaysia	Property development	100	100
Prop Park Sdn. Bhd.	Malaysia	Property development	100	100
Sunny Mode Sdn. Bhd. #	Malaysia	Property development and provision of management services	100	100
G Land Development Sdn. Bhd.	Malaysia	Property development	100	100
Grand View Realty Sdn. Bhd.	Malaysia	Property development	100	100
Huayang Ventures Sdn. Bhd. #	Malaysia	Operating of restaurant, laundry mart and vending machine	100	100
Kajang Heights Development Sdn. Bhd.	Malaysia	Property development	70	70
Celestial Solar Farm Sdn. Bhd. #	Malaysia	Provision of engineering, procurements, constructions, commissioning and consultancy service for solar PV system	100	100

Not audited by TGS TW PLT

7. Investments in subsidiaries (cont'd)

Details of the subsidiaries (cont'd)

The Group's subsidiary that has material non-controlling interests ("NCI") is as follows:

Group	Kajang Heights Development Sdn. Bhd. 2022 (RM)	2021 (RM)
NCI percentage of ownership interest and voting interest	30%	30%
Carrying amount of NCI	22,322,295	22,414,842
Loss allocated to NCI	**(92,547)**	**(82,224)**
Summarised financial information before intra-group elimination		
As at 31 March		
Non-current assets	79,859,373	78,377,232
Current assets	43,861,712	45,403,499
Non-current liabilities	(48,040,198)	(48,731,784)
Current liabilities	(1,273,241)	(332,807)
Net assets	**74,407,646**	**74,716,140**
Year end 31 March		
Loss from continuing operations	(308,494)	(274,079)
Cash flows used in operating activities	(1,541,787)	(465,403)
Cash flows from investing activities	1,606,245	490,006
Cash flows used in financing activities	-	-
Net increase in cash and cash equivalents	**64,458**	**24,603**

8. Investment in an associate

Group	Note	2022 (RM)	2021 (RM)
At cost			
Quoted shares in Malaysia		190,708,202	190,708,202
Share of post-acquisition reserves		(83,815,000)	(76,174,000)
Impairment loss		(52,361,534)	(53,829,138)
		54,531,668	**60,705,064**
Reclassified to other investments	9	(54,531,668)	-
		-	**-**
Market value			
Quoted shares in Malaysia		**-**	**60,705,064**

Details of the associate are as follows:

Name of associate	Place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2022 %	2021 %
Magna Prima Berhad ("MPB")	Malaysia	Investment holding and provision of management services	-	30.95

The statutory financial year end of MPB is 31 December which is not coterminous with the financial year end of the Group. For the purpose of applying the equity method of accounting for MPB, with financial year end of 31 December, the last audited financial statements available made up to a period of no more than 3 months difference from the Group's financial year end have been used. Management has assessed that this would be the most practical method of applying the equity method of accounting for MPB.

On 26 October 2021, MPB has completed the private placement exercise of up to 20% of the total number of issued shares in MPB. Upon completion of the exercise, Prisma Pelangi Sdn. Bhd., a wholly-owned subsidiary of the Group, diluted 5.32% effective ownership interest in MPB, decreasing its ownership interest from 30.95% to 25.63%.

8. Investment in an associate (cont'd)

Impairment loss

In previous financial year, the Independent Auditors' Report for the latest audited financial statements of the associate for the year ended 31 December 2020 highlighted material uncertainties that may cast significant doubt on the associate's ability to continue as a going concern. The financial statements of the associate is not modified in this respect. In particular, MPB has reported significant losses in the financial year ended 31 December 2020 and MPB and its subsidiaries are involved in multiple litigations, including winding up petitions against MPB and 2 of its subsidiaries, Magna City Development Sdn. Bhd. and Magna Park Sdn. Bhd.

Consequently, the Group has recognised impairment loss in respect of the investment in the associate as its recoverable amount, estimated using fair value less cost to sell, is lower than its carrying amount. The impairment loss is separately presented in the statement of profit or loss and other comprehensive income.

The fair value of the investment in the associate is determined based on level 1 fair value using the market value of the quoted shares.

Reclassification to other investments

Although the Group holds a 25.63% equity interest in MPB for which the Group has determined that it does not have significant influence over MPB as:

i. There are no material transactions between the Group and MPB; and
ii. There is no interchange of managerial personnel and provision of essentials technical services between the Group and MPB.

Based on above-mentioned, the Group has reclassified its interest in MPB to other investment in quoted shares in Malaysia.

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

Group	Magna Prima Berhad 2021 (RM)
Summarised financial information	
As at 31 December 2021	
Non-current assets	497,666,039
Current assets	239,835,369
Non-current liabilities	(42,563,524)
Current liabilities	(348,205,578)
Net assets	**346,732,306**

8. Investment in an associate (cont'd)

Group	Magna Prima Berhad 2021 (RM)
Year end 31 December 2021	
Loss from continuing operations attributable to:	
- Owners of the Company	(150,874,906)
- Non-controlling interests	(1,329,299)
Total loss from continuing operations	(152,204,205)
Other comprehensive income	12,913,839
Total comprehensive loss	**(139,290,366)**
Included in the total comprehensive income is:	
Revenue	18,701,359
Reconciliation of net assets as at 31 December to carrying amount as at 31 March	
Group's share of net assets	108,625,202
Goodwill	5,909,000
Impairment loss	(53,829,138)
Carrying amount in the statement of financial position	**60,705,064**
Group's share of results for the year ended 31 March	
Group's share of profit or loss from continuing operations	(46,696,000)
Group's share of other comprehensive income	3,997,000
Group's share of total comprehensive loss	**(42,699,000)**

9. Other investment

Group	Note	2022 (RM)	2021 (RM)
Non-current			
At fair value through other comprehensive income			
Quoted shares in Malaysia			
- Reclassified from investment in an associate	8	54,531,668	-
Changes in fair value through other comprehensive income		(9,774,544)	-
		44,757,124	**-**

The Group designated the investments in equity security as fair value through other comprehensive income because the investment in equity securities represent investment that the Group intends to hold for long-term strategic purposes.

During the financial year, the Group treated its interest in Magna Prima Berhad as simple investment as the Group considers that it does not have the power to exercise significant influence over Magna Prima Berhad as explained in Note 8.

10. Inventories

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Non-current				
Land held for future development	580,122,191	587,450,277	6,709,461	6,706,961
Current				
Developed properties	47,683,106	67,938,923	251,338	251,338
Development properties	57,945,864	49,280,385	-	-
Finished goods	5,500	20,566	-	-
	105,634,470	117,239,874	251,338	251,338
	685,756,661	**704,690,151**	**6,960,799**	**6,958,299**

10. Inventories (cont'd)

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Inventories pledged as securities for bank borrowings (Note 20)				
- Land held for future development	394,842,245	376,327,377	2,761,348	2,761,348
- Developed properties	19,230,702	21,355,835	-	-
- Development properties	53,541,125	9,929,950	-	-
	467,614,072	**407,613,162**	**2,761,348**	**2,761,348**
Recognised in profit or loss				
- write down to net realisable value	-	1,098,347	-	-
- inventories recognised as cost of sales	20,477,455	15,563,977	-	-

Inventories are measured at the lower of cost and net realisable value. The expected net realisable value is determined after considering recent transacted prices for the developed properties, volume and pricing of other development within the vicinity and also the current and future market conditions in the property development industry.

11. Trade and other receivables

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Non-current					
Non-trade					
Other receivables		1,232,600	1,157,463	-	-
Refundable deposits		1,768,830	4,193,905	35,047	43,052
		3,001,430	**5,351,368**	**35,047**	**43,052**
Current					
Trade					
Trade receivables		32,544,754	25,345,267	-	-
Allowance for impairment loss		(526,888)	(483,902)	-	-
		32,017,866	**24,861,365**	**-**	**-**
Non-trade					
Amounts due from subsidiaries	a	-	-	308,256,313	305,725,278
Goods and Services Tax receivables	b	244,554	858,853	1,441	1,441
Other receivables		4,314,485	4,434,107	587,680	839,779
Refundable deposits		5,142,317	4,264,872	3,517,593	3,027,285
		9,701,356	9,557,832	312,363,027	309,593,783
Allowance for impairment loss		(1,900,000)	-	(6,357,599)	(5,097,204)
		7,801,356	9,557,832	306,005,428	304,496,579
		39,819,222	34,419,197	306,005,428	304,496,579
		42,820,652	**39,770,565**	**306,040,475**	**304,539,631**

Note a

The amounts due from subsidiaries are unsecured, subject to interest rate at 1.74% (2021: 1.86%) per annum and repayable on demand.

In previous financial year, the decrease in amounts due from subsidiaries during the year is due to offsetting of amount due from Prisma Pelangi Sdn. Bhd. amounting to RM216,000,000 against consideration for RM216,000,000 shares issued by Prima Pelangi Sdn. Bhd. to the Company amounting to RM216,000,000. The Company recorded an allowance for impairment of RM136,018,800 against the amount due from Prisma Pelangi Sdn. Bhd. in prior year. The allowance for impairment was transferred to allowance for impairment of investment in subsidiaries (see Note 7).

Note b

Goods and Services Tax ("GST") receivables refer to the returns due from the Royal Malaysian Custom Department in relation to input tax paid by the Group.

12. Cash and bank balances

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Non-current					
Deposits placed with licensed banks		3,138,629	3,100,230	273,432	273,432
Cash at bank	a	5,100,000	5,000,000	5,100,000	5,000,000
		8,238,629	**8,100,230**	**5,373,432**	**5,273,432**
Current					
Cash in hand and at bank		3,542,592	3,635,369	767,990	941,075
Housing Development Accounts	b	6,281,377	57,235,312	-	-
		9,823,969	60,870,681	767,990	941,075
		18,062,598	**68,970,911**	**6,141,422**	**6,214,507**
Cash and bank balances pledged to licensed banks as securities for bank borrowings granted	20	8,238,629	8,100,230	5,373,432	5,273,432

Note a

The non-current cash at bank are cash held under debt service reserve accounts that are pledged to the bank.

Note b

The Housing Development Accounts ("HDA") are held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966 and therefore restricted from use for other operations.

13. Deferred tax assets/(liabilities)

The recognised deferred tax assets and (liabilities) before off-setting are as follows:

	Assets		Liabilities		Net	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Groups						
Inventories	4,401,757	7,920,734	(33,004,438)	(34,344,781)	(28,602,681)	(26,424,047)
Property, plant and equipment	1,256	2,024	(269,328)	(1,065,023)	(268,072)	(1,062,999)
Unutilised tax losses	11,902,921	9,737,954	-	-	11,902,921	9,737,954
Unabsorbed capital allowance	2,496,702	2,523,699	-	-	2,496,702	2,523,699
Others	2,130,047	730,616	(3,355,219)	(1,326,091)	(1,225,172)	(595,475)
Tax assets/(liabilities)	20,932,683	20,915,027	(36,628,985)	(36,735,895)	(15,696,302)	(15,820,868)
Set-off of tax	(2,745,816)	(1,886,057)	2,745,816	1,886,057	-	-
Net deferred tax assets/(liabilities)	**18,186,867**	**19,028,970**	**(33,883,169)**	**(34,849,838)**	**(15,696,302)**	**(15,820,868)**
Company						
Property, plant and equipment	-	-	(217,222)	(217,222)	(217,222)	(217,222)
Unutilised tax losses	1,946,148	1,946,148	-	-	1,946,148	1,946,148
Unabsorbed capital allowance	613,741	613,741	-	-	613,741	613,741
Tax assets/(liabilities)	2,559,889	2,559,889	(217,222)	(217,222)	2,342,667	2,342,667
Set-off of tax	(217,222)	(217,222)	217,222	217,222	-	-
Net deferred tax assets	**2,342,667**	**2,342,667**	**-**	**-**	**2,342,667**	**2,342,667**

Unutilised tax losses of RM49,595,504 (2021: RM40,574,808), arising from group entities that were loss making, were recognised as deferred tax assets as management considered it probable that future taxable profits will be available against which they can be utilised when these group entities commence property development activity.

13. Deferred tax assets/(liabilities) (cont'd)

Movement in temporary differences during the year

	At 1.4.2020 (RM)	Recognised in profit or loss (Note 26) (RM)	At 31.3.2021/ 1.4.2021 (RM)	Recognised in profit or loss (Note 26) (RM)	At 31.3.2022 (RM)
Groups					
Inventories	(25,424,999)	(999,048)	(26,424,047)	(2,178,634)	(28,602,681)
Property, plant and equipment	(933,404)	(129,595)	(1,062,999)	794,927	(268,072)
Unutilised tax losses	9,550,395	187,559	9,737,954	2,164,967	11,902,921
Unabsorbed capital allowance	2,303,156	220,543	2,523,699	(26,997)	2,496,702
Others	(1,011,547)	416,072	(595,475)	(629,697)	(1,225,172)
Net deferred tax assets/(liabilities)	**(15,516,399)**	**(304,469)**	**(15,820,868)**	**124,566**	**(15,696,302)**
Company					
Property, plant and equipment	(177,617)	(39,605)	(217,222)	-	(217,222)
Unutilised tax losses	1,946,148	-	1,946,148	-	1,946,148
Unabsorbed capital allowance	588,106	25,635	613,741	-	613,741
Net deferred tax assets/(liabilities)	**2,356,637**	**(13,970)**	**2,342,667**	**-**	**2,342,667**

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment. Any balance of the unutilised business losses at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

14. Contract with customers

14.1 Contract assets/(liabilities)

Group	2022 (RM)	2021 (RM)
Contract assets	28,832,465	37,549,263
Contract liabilities	-	(3,517,291)

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts with property buyers but not yet billed at the reporting date. The amount will be billed on achievement of billing milestone as per the contract and will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the consideration received in advance from customers for contracts with property buyers, which revenue is recognised over time during the development of the properties. The contract liabilities are expected to be recognised as revenue in the next financial year.

Significant changes to contract assets and contract liabilities balances during the period are as follows:

Group	2022 (RM)	2021 (RM)
Contract liabilities at the beginning of the period recognised as revenue	3,517,291	21,772,000

14.2 Contract costs

Group	2022 (RM)	2021 (RM)
Cost to obtain a contract	3,173,137	2,468,019
Cost to fulfil a contract	10,965,921	6,823,791
	14,139,058	**9,291,810**

Cost to obtain a contract

Cost to obtain a contract primarily comprises incremental commission fees paid to intermediaries as a result of obtaining contracts and they are recoverable.

Capitalised commission fees are amortised when the related revenues are recognised. During the financial year, the amount amortised was RM2,031,715 (2021: RM7,885,934).

Cost to fulfil a contract

Cost to fulfil a contract primarily comprises carrying amount of inventories in relation to contracts with customers. During the financial year, the amount amortised was RM50,322,695 (2021: RM120,970,070).

15. Other current assets

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Prepaid operating expenses	1,218,528	1,248,851	1,023,387	1,233,550

16. Share capital

Group and Company	Number of shares 2022 (Units)	Amount 2022 (RM)	Number of shares 2021 (Units)	Amount 2021 (RM)
Issued and fully paid shares with no par value classified as equity instruments				
Ordinary shares	352,000,000	352,000,000	352,000,000	352,000,000

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

17. Reserves

Fair value reserve

Fair value reserve represents the cumulative net change in the fair value of the investment in securities measured at FVTOCI until they are derecognised or impaired.

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations of the Group's associate.

18. Perpetual Sukuk

On 20 August 2021, the Company made its first issuance of Perpetual Sukuk Musharakah of RM5,000,000 nominal value under its Perpetual Sukuk Musharakah Programme of up to RM500 million.

The proceeds arising from the Perpetual Sukuk will be utilised for Shariah-compliant purposes which include refinancing of existing financing/borrowings, capital expenditure, asset acquisition, working capital, general corporate purposes and defray fees, costs and expenses in relation to the issuance of the Perpetual Sukuk Musharakah.

The salient features of the Perpetual Sukuk are as follows:

a. The Perpetual Sukuk is issued under the Shariah principle of Musharakah and unrated;

b. The Perpetual Sukuk issued during the year carried an initial fixed periodic distribution rate of 6.50% per annum payable on a semi-annual basis in arrears. The periodic distribution rate of any tranche of perpetual sukuk will be reset at the aggregate of the initial period distribution rate plus set-up margin provided that such rate is capped at maximum rate;

c. No fixed redemption date but the Company has the option to redeem on the First Call date and on each subsequent semi-annual periodic distribution date;

d. The Company also has the option to redeem the Perpetual Sukuk under the following circumstances:

   i. Accounting Event - if the Perpetual Sukuk is or will no longer be recorded as equity as a result of changes to accounting standards;

   ii. Tax Event - if the Company is or will become obliged to pay additional amount of tax due to changes in tax laws or regulations;

   iii. Change in Control Event - if Ho Wen Yan ceases to be the single largest shareholder (directly or indirectly) of the Company;

   iv. Leverage Event - if the Net Debts over Equity Ratio of the Company (on a consolidated basis) exceeds 1.25 times;

   v. Privatisation Event - if the Company fails to maintain the status as a public listed company on Bursa Malaysia Securities Berhad and is delisted;

   vi. Shareholder Event - if the Company reduces the issued and fully paid ordinary shares; and

   vii. Sinking Fund Event - if the Company fails to deposit the required build up for the nominal value of the applicable Secured Perpetual Sukuk Musharakah.

e. Payment obligations on the Perpetual Sukuk will at all times, rank ahead of the holders of Junior Obligations of the Company and rank pari passu with all other present and future unsecured, unconditional and unsubordinated obligations of the Company.

19. Trade and other payables

	Note	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Non-current					
Trade					
Trade payables	a	29,682,109	35,282,326	-	-
Non-trade					
Refundable deposits		191,000	443,564	-	-
		29,873,109	**35,725,890**	-	-
Current					
Trade					
Trade payables		73,837,523	97,444,043	-	-
Non-trade					
Amounts due to subsidiaries	b	-	-	111,154,791	208,737,892
Accrued operating expenses		24,258,401	27,617,803	12,436,770	11,948,758
Other payables		5,352,414	9,545,986	301,503	847,708
Refundable deposits		1,498,412	1,484,549	5,820	5,820
		31,109,227	38,648,338	123,898,884	221,540,178
		104,946,750	136,092,381	123,898,884	221,540,178
		134,819,859	**171,818,271**	**123,898,884**	**221,540,178**

Note a

Non-current trade payables are retention sums which are payable upon the expiry of the defects liability period and compensation owing to authorities that are payable upon development of land held for future development.

Note b

The amounts due to subsidiaries are unsecured, subject to interest rate at 1.74% (2021: 1.86%) per annum and repayable on demand.

20. Loans and borrowings

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Non-current				
Secured:				
Bridging loan	-	7,376,004	-	-
Sukuk Murabahah	12,696,000	17,190,000	12,696,000	17,190,000
Term loans	149,998,646	164,589,749	18,843,022	27,059,912
Revolving loans	27,900,000	31,400,000	27,900,000	31,400,000
Islamic cash line facility	10,000,000	3,341,539	10,000,000	3,341,540
	200,594,646	**223,897,292**	**69,439,022**	**78,991,452**
Current				
Secured:				
Bridging loan	-	6,300,000	-	-
Sukuk Murabahah	4,494,000	4,494,000	4,494,000	4,494,000
Term loans	8,155,328	13,471,585	1,093,728	6,063,585
Revolving loans	10,500,000	12,982,088	10,500,000	12,982,088
Islamic cash line facility	3,330,823	8,397,000	3,330,823	8,397,000
Banker's acceptance	893,000	-	-	-
Bank overdrafts	25,118,381	22,717,386	15,019,972	14,766,319
	52,491,532	68,362,059	34,438,523	46,702,992
	253,086,178	**292,259,351**	**103,877,545**	**125,694,444**

Securities

The Group's and the Company's secured bridging loan, Sukuk Murabahah, term loans, revolving loans, Islamic cash line facility, banker's acceptance and bank overdrafts are secured by the following:

i. legal charge over property, plant and equipment (Note 3), investment properties (Note 5), inventories (Note 10) and deposits placed with licensed banks (Note 12); and

ii. corporate guarantee by the Company.

20. Loans and borrowings (cont'd)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	At 1.4.2020 (RM)	Drawdown of loans and borrowings (RM)	Repayment of loans and borrowings (RM)	Other movements (RM)	At 31.3.2021/ 1.4.2021 (RM)	Drawdown of loans and borrowings RM	Repayment of loans and borrowings (RM)	Other movements (RM)	At 31.3.2022 (RM)
Bridging loan	13,964,504	16,800,000	(17,088,500)	-	13,676,004	-	(13,676,004)	-	-
Sukuk Murabahah	26,178,000	-	(4,494,000)	-	21,684,000	-	(4,494,000)	-	17,190,000
Term loans	193,395,664	35,000,000	(50,803,859)	469,529	178,061,334	6,126,222	(26,670,564)	636,982	158,153,974
Banker's acceptance	-	-	-	-	-	1,500,000	(607,000)	-	893,000
Revolving loans	46,250,000	-	(1,867,912)	-	44,382,088	-	(5,982,088)	-	38,400,000
Islamic cash line facility	13,690,776	4,540,000	(6,492,237)	-	11,738,539	10,000,000	(8,407,716)	-	13,330,823
Lease liabilities	788,876	-	(1,097,968)	1,380,967	1,071,875	-	(769,084)	368,358	671,149
Total liabilities from financing activities	**294,267,820**	**56,340,000**	**(81,844,476)**	**1,850,496**	**270,613,840**	**17,626,222**	**(60,606,456)**	**1,005,340**	**228,638,946**
Company									
Sukuk Murabahah	26,178,000	-	(4,494,000)	-	21,684,000	-	(4,494,000)	-	17,190,000
Term loans	16,399,354	25,000,000	(8,275,857)	-	33,123,497	-	(13,186,747)	-	19,936,750
Revolving loans	46,250,000	-	(1,867,912)	-	44,382,088	-	(5,982,088)	-	38,400,000
Islamic cash line facility	13,690,776	4,540,000	(6,492,236)	-	11,738,540	10,000,000	(8,407,717)	-	13,330,823
Lease liabilities	312,760	-	(459,235)	604,055	457,580	-	(291,742)	150,902	316,740
Total liabilities from financing activities	**102,830,890**	**29,540,000**	**(21,589,240)**	**604,055**	**111,385,705**	**10,000,000**	**(32,362,294)**	**150,902**	**89,174,313**

Other movements include capitalisation and amortisation of transaction costs and new leases.

21. Revenue

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Revenue from contracts with customers	118,286,412	157,632,632	4,977,000	4,107,600
Other revenue				
- Dividend income	-	-	124,500,000	25,000,000
- Rental income	1,902,069	1,927,302	-	-
	1,902,069	1,927,302	124,500,000	25,000,000
	120,188,481	**159,559,934**	**129,477,000**	**29,107,600**

21.1 Disaggregation of revenue from contracts with customers

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Major products and services				
Sales of development properties	70,997,652	43,441,321	-	-
Sales of developed properties	40,960,762	107,890,332	-	-
Trading of building materials	5,531,713	5,733,965	-	-
Operating of restaurant, laundry and vending machine	316,285	567,014	-	-
Management fee	480,000	-	4,977,000	4,107,600
	118,286,412	**157,632,632**	**4,977,000**	**4,107,600**
Timing and recognition				
At a point in time	47,288,760	114,191,311	-	-
Over time	70,997,652	43,441,321	4,977,000	4,107,600
	118,286,412	**157,632,632**	**4,977,000**	**4,107,600**

21. Revenue (cont'd)

21.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sales of development properties	Revenue is recognised over time using the cost incurred method. Development properties sold to customers typically do not have alternative use and the Group has rights to payment for work performed.	Based on milestone progress billings submitted to customers which are approved by accredited architect and subjected to a credit period of 30 days.	Not applicable	Not applicable	The Company is required to fulfil warranty obligation over defect liability period of 2 years from the handover of properties to customers.
Sales of developed properties	Revenue is recognised when right to pledge the developed properties is given to the customer.	Based on progress billings, which is subjected to 30 days credit period, with 10% payable upon signing of contract and remaining 90% billable 3 months from date of signing of contract.	Not applicable	Not applicable	Not applicable
Trading of building materials	Revenue is recognised when the goods are delivered and accepted by customers at their premises.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Operating of restaurant, laundry and vending machine	Revenue is recognised when goods/services are served/delivered.	No credit term is given.	Not applicable	Not applicable	Not applicable
Management fee	Revenue is recognised over time as and when management services are performed.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

21. Revenue (cont'd)

21.3 Transaction price allocated to the remaining performance obligations

Transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date of RM122,539,647 (2021: RM100,674,075) are expected to be recognised as revenue progressively over the financial years 2023 to 2024 (2021: 2022 to 2024).

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

21.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For revenue recognised over time using the cost incurred method, the Group measured the performance of work done by comparing the actual costs incurred with the estimated total costs required to complete the work. Significant judgements are required to estimate the total contract costs to complete. In making these estimates, management relied on professionals' estimates and also on past experience of completed developed properties. A change in the estimates will directly affect the revenue to be recognised.
- For revenue recognised in respect of contracts with customers who are not supported by end-financiers, the Group has assessed and determined that collectability of the consideration from these customers is probable. In making this judgement, the Group has considered the trend of collections from these customers and the general background of these customers.

22. Other income

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Interest income of financial assets calculated using the effective interest method that are at amortised cost:				
- interest income	99,048	355,781	5,077,064	8,618,423
- accrete interest from financial assets	159,411	79,903	451	1,411
	258,459	**435,684**	**5,077,515**	**8,619,834**
Deposits forfeited	282,515	137,370	-	-
Gain on disposal of property, plant and equipment	-	50	-	-
Rental income				
- investment properties	21,780	19,500	52,980	50,700
- others	560,927	398,438	-	-
Sundry income	541,983	1,078,634	45,124	54,592
	1,665,664	**2,069,676**	**5,175,619**	**8,725,126**

23. Results from operating activities

Results from operating activities are arrived at after charging/(crediting) amongst other:

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Auditors' remuneration:				
- Audit fees	237,000	279,000	80,000	90,000
- Non-audit fees	6,000	58,000	6,000	15,000
Material expense/(income)				
Amortisation of:				
- concession assets	611,245	562,260	-	-
- franchise fee	10,000	36,667	-	-
Depreciation of:				
- investment properties	42,757	42,758	46,058	46,057
- property, plant and equipment	2,497,305	2,522,802	494,562	503,588
- right-of-use assets	550,485	888,944	54,933	263,100

23. Results from operating activities (cont'd)

Results from operating activities are arrived at after charging/(crediting) amongst other: (cont'd)

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Material expense/(income) (continued)				
Loss on/(Reversal of) impairment loss:				
- intangible assets	(2,014,417)	30,833	-	-
- investments in subsidiaries	-	-	23,459,682	18,767,603
- investment in an associate	(1,467,604)	(28,808,858)	-	-
Deposit written off	-	132,820	-	-
Inventories written down	-	1,098,347	-	-
Loss/(Gain) on disposal of property, plant and equipment	10,823	(50)	-	-
Non-Executive Directors' remuneration	648,337	528,621	630,190	514,108
Property, plant and equipment written off	9,398	30,297	-	3
Expenses arising from leases:				
Expenses relating to short-term leases (a)	242,070	224,400	-	-
Expenses relating to leases of low-value assets (a)	102,897	102,082	51,684	32,336
Net loss on impairment of financial instruments and contract assets				
Financial assets at amortised cost	1,942,986	11,901	1,260,395	1,900,000

a. The Group and the Company leases a number of properties and office equipment with contract terms of not more than one year. These leases are short-term and/or leases of low-value items. The Group or the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

24. Finance costs

	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Interest expense of financial liabilities that are not at fair value through profit of loss:				
- bank overdrafts	1,213,828	1,213,142	743,915	727,132
- banker's acceptance	8,780	-	-	-
- bank loans	11,931,089	13,458,198	6,902,891	6,979,484
- lease liabilities	29,963	63,394	4,227	14,812
- intercompany loan	-	-	2,109,008	2,885,516
- trade payables	-	1,755,477	-	-
- other financial liabilities carried at amortised cost	616,808	469,529	402,966	-
	13,800,468	16,959,740	10,163,007	10,606,944
Capitalised on qualifying assets - inventories	(4,546,290)	(5,117,100)	-	-
Recognised in profit or loss	**9,254,178**	**11,842,640**	**10,163,007**	**10,606,944**

25. Employee benefits expense and key management personnel compensation

	Group 2022 (RM)	Group 2021 (RM)	Company 2022 (RM)	Company 2021 (RM)
Salaries and bonus	7,446,304	7,743,459	2,681,469	2,533,004
EIS contributions	7,596	11,082	1,966	2,287
EPF contributions	954,353	999,143	344,352	324,353
Social security contributions	66,710	84,502	17,270	20,000
	8,474,963	**8,838,186**	**3,045,057**	**2,879,644**

Included in employees' benefits expenses of the Group and of the Company is Executive Directors' remuneration, excluding benefits-in-kind, amounting to RM895,249 (2021: RM732,794).

25. Employee benefits expense and key management personnel compensation (cont'd)

The key management personnel compensations are as follows:

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Executive Directors:				
- Salaries and other emoluments	790,690	647,660	790,690	647,660
- EIS contributions	95	95	95	95
- EPF contributions	103,635	84,210	103,635	84,210
- Social security contributions	829	829	829	829
Total Executive Directors' remuneration (excluding benefit-in-kind)	895,249	732,794	895,249	732,794
Estimated money value of benefits-in-kind	7,200	7,200	7,200	7,200
Total Executive Directors' remuneration (including benefit-in-kind)	**902,449**	**739,994**	**902,449**	**739,994**
Non-Executive Directors':				
- Fees	618,337	493,621	600,190	479,108
- Other emoluments	30,000	35,000	30,000	35,000
Total Non-Executive Directors' remuneration (excluding benefit-in-kind)	648,337	528,621	630,190	514,108
Estimated money value of benefits-in-kind	7,200	7,200	7,200	7,200
Total Non-Executive Directors' remuneration (including benefit-in-kind)	**655,537**	**535,821**	**637,390**	**521,308**
Total key management personnel compensation	**1,557,986**	**1,275,815**	**1,539,839**	**1,261,302**

25. Employee benefits expense and key management personnel compensation (cont'd)

The number of directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2022	2021
Executive director		
RM700,001 - RM750,000	-	1
RM750,001 - RM800,000	-	-
RM800,001 - RM850,000	-	-
RM850,001 - RM900,000	1	-
Non-executive directors		
RM50,001 - RM100,000	1	2
RM100,001 - RM150,000	3	3
RM150,001 - RM200,000	1	-

26. Tax expense

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Recognised in profit or loss				
Income tax expense				
Current tax	7,090,254	4,048,102	-	185,529
Prior years	(689,509)	(1,047,162)	(1,476,243)	103,002
Total income tax recognised in profit or loss	6,400,745	3,000,940	(1,476,243)	288,531
Deferred tax expense				
Origination and reversal of temporary differences	(124,566)	304,469	-	13,970
Tax expense	6,276,179	3,305,409	(1,476,243)	302,501
Share of tax of equity-accounted associate	24,760	5,726,501	-	-
	6,300,939	**9,031,910**	**(1,476,243)**	**302,501**
Reconciliation of tax expense				
Profit/(Loss) before tax	7,709,617	(49,176,490)	92,720,347	(10,728,631)
Less: Share of loss of equity-accounted associate, net of tax	6,255,000	46,696,000	-	-
Loss excluding share of profit of equity-accounted associate	**13,964,617**	**(2,480,490)**	**92,720,347**	**(10,728,631)**
Income tax calculated using Malaysian tax rate of 24%	3,351,508	(595,318)	22,252,883	(2,574,871)
Non-taxable income	(336,776)	(914,125)	(29,880,000)	(6,000,000)
Non-deductible expenses	3,950,956	5,862,014	7,627,117	8,774,370
(Over)/Under provision in prior year - income tax	(689,509)	(1,047,162)	(1,476,243)	103,002
Tax expense	6,276,179	3,305,409	(1,476,243)	302,501
Share of tax of equity - accounted associate	24,760	5,726,501	-	-
	6,300,939	**9,031,910**	**(1,476,243)**	**302,501**

27. Earnings/(Loss) per ordinary share

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share at 31 March 2022 was based on the profit/(loss) attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

Group	2022	2021
RM		
Profit/(Loss) for the financial year attributable to owners of the Company	1,525,985	(52,399,675)
Weighted average number of ordinary shares at 31 March	352,000,000	352,000,000
Sen		
Basic earnings/(loss) per ordinary shares	0.43	(14.89)

Diluted earnings/(loss) per ordinary share

The calculation of diluted earnings/(loss) per ordinary share at 31 March 2022 was based on profit/(loss) attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	2022	2021
RM		
Profit/(Loss) for the financial year attributable to owners of the Company	1,525,985	(52,399,675)
Weighted average number of ordinary shares at 31 March	352,000,000	352,000,000
Sen		
Diluted earnings/(loss) per ordinary shares	0.43	(14.89)

28. Dividends

The Directors do not recommend any dividend to be paid for the financial year ended 31 March 2022.

29. Financial guarantee

Company	2022 (RM)	2021 (RM)
Unsecured:		
Bank guarantee facilities utilised by subsidiaries	9,141,301	7,858,776
Unsecured:		
Corporate guarantee given to licensed banks for credit facilities granted to subsidiaries	148,458,633	166,564,908

30. Operating segments

The Group has 2 reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different business strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Board of Directors) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

i. Property development segment

The property development segment is in the business of constructing and developing residential and commercial properties. This reportable segment has been formed by aggregating the property development operating segment and the investment properties operating segment, which are regarded by management to exhibit similar economic characteristics.

ii. Concession assets segment

Concession assets segment is the business of collection of rental over the concession periods from assets held under "build, operate and transfer" agreements.

Other non-reportable segments comprise operations related to trading of building materials, operating of restaurant, laundry and vending machine. None of these segments met the quantitative thresholds for reporting segments in 2022 and 2021.

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

30. Operating segments (cont'd)

Group	Property development (RM)	Concession assets (RM)	Total (RM)
2022			
Segment gain	**1,047,726**	**157,898**	**1,205,624**
Included in the measure of segment profit are:			
Revenue from external customers	112,729,466	1,902,069	114,631,535
Depreciation and amortisation	(2,795,379)	(611,722)	(3,407,101)
Reversal of impairment loss - investment in an associate	1,467,604	-	1,467,604
Impairment loss - other receivables	(1,900,000)	-	(1,900,000)
Reversal of impairment loss - intangible assets	-	2,014,417	2,014,417
Interest expense	(9,209,042)	(255,320)	(9,464,362)
Interest income	466,299	3,802	470,101
Share of loss of equity-accounted associate, net of tax	(6,255,000)	-	(6,255,000)
Segment assets	**872,764,067**	**9,240,626**	**882,004,693**
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	416,092	4,600	420,692
Other investment	44,757,124	-	44,757,124
Segment liabilities	**(404,663,972)**	**(13,140,783)**	**(417,804,755)**

30. Operating segments (cont'd)

Group	Property development (RM)	Concession assets (RM)	Total (RM)
2021			
Segment (loss)/gain	**(52,551,628)**	**242,391**	**(52,309,237)**
Included in the measure of segment profit/(loss) are:			
Revenue from external customers	151,920,892	1,927,302	153,848,194
Depreciation and amortisation	(2,903,128)	(562,545)	(3,465,673)
Reversal of impairment loss - investment in an associate	28,808,858	-	28,808,858
Interest expense	(11,842,640)	(255,320)	(12,097,960)
Interest income	635,205	3,623	638,828
Share of loss of equity-accounted associate, net of tax	46,696,000	-	46,696,000
Segment assets	**980,457,475**	**10,757,312**	**991,214,787**
Included in the measure of segment assets are:			
Additions to non-current assets other than financial instruments and deferred tax assets	1,784,028	-	1,784,028
Investment in an associate	60,705,064	-	60,705,064
Segment liabilities	**(508,370,681)**	**(14,359,307)**	**(522,729,988)**

30. Operating segments (cont'd)

Group	Segment profit/(loss) (RM)	Segment revenue (RM)	Depreciation and amortisation (RM)	Interest expense (RM)	Interest income (RM)	Segment assets (RM)	Segment liabilities (RM)
2022							
Total reportable segment	1,205,624	114,631,535	(3,407,101)	(9,464,362)	470,101	882,004,693	(417,804,755)
Other non-reportable segments	(442,038)	6,174,346	(304,691)	(74,246)	72,788	13,155,292	(9,417,378)
Elimination of intersegment transaction	669,852	(617,400)	-	284,430	(284,430)	(11,228,339)	243,363
Consolidated total	**1,433,438**	**120,188,481**	**(3,711,792)**	**(9,254,178)**	**258,459**	**883,931,646**	**(426,978,770)**
2021							
Total reportable segment	(52,309,237)	153,848,194	(3,465,673)	(12,097,960)	638,828	991,214,787	(522,729,988)
Other non-reportable segments	(842,514)	6,266,140	(587,758)	(49,842)	102,018	8,653,748	(4,402,475)
Elimination of intersegment transaction	669,852	(554,400)	-	305,162	(305,162)	(27,131,926)	16,816,803
Consolidated total	**(52,481,899)**	**159,559,934**	**(4,053,431)**	**(11,842,640)**	**435,684**	**972,736,609**	**(510,315,660)**

Geographical segments

The Group's segments are located in Malaysia.

Major customers

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

31. Financial instruments

31.1 Categories of financial instruments

The table below provides an analysis of financial instruments as at 31 March 2022, by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

Group	At amortised cost (RM)	At FVTOCI (RM)	Total (RM)
2022			
Financial assets			
Other investment	-	44,757,124	44,757,124
Trade and other receivables	42,576,098	-	42,576,098
Cash and cash equivalents	18,062,598	-	18,062,598
	60,638,696	**44,757,124**	**105,395,820**
Financial liabilities			
Trade and other payables	134,819,859	-	134,819,859
Loans and borrowings	253,086,178	-	253,086,178
	387,906,037	**-**	**387,906,037**
2021			
Financial assets			
Trade and other receivables	38,911,712	-	38,911,712
Cash and cash equivalents	68,970,911	-	68,970,911
	107,882,623	**-**	**107,882,623**
Financial liabilities			
Trade and other payables	171,818,271	-	171,818,271
Loans and borrowings	292,259,351	-	292,259,351
	464,077,622	**-**	**464,077,622**

31. Financial instruments

31.1 Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments as at 31 March 2022, by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (cont'd)

	At amortised cost	
	2022 (RM)	2021 (RM)
Company		
Financial assets		
Trade and other receivables	306,039,034	304,538,190
Cash and cash equivalents	6,141,422	6,214,507
	312,180,456	**310,752,697**
Financial liabilities		
Trade and other payables	123,898,884	221,540,178
Loans and borrowings	103,877,545	125,694,444
	227,776,429	**347,234,622**

31.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Net gains/(losses) on:				
Financial assets measured at amortised cost	175,964	290,963	4,873,111	6,719,834
Financial liabilities measured at amortised cost	(8,750,621)	(11,641,876)	(9,958,603)	(10,606,944)
Equity instruments at FVTOCI - Recognised in other comprehensive income	(9,774,544)	-	-	-
	(18,349,201)	**(11,350,913)**	**(5,085,492)**	**(3,887,110)**

31. Financial instruments (cont'd)

31.3 Financial risk management

The Group and the Company have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

31.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from receivables from purchasers of properties ("purchasers") and deposits with banks and financial institutions. The Company is also exposed to credit risk in respect of advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

Normally, purchasers are supported by the end-financiers which are reputable banks in Malaysia. For self-financed purchasers, the Group and the Company extend credit based upon evaluation of the purchasers' general background. Trade receivables are monitored on an ongoing basis by the Group's credit control department.

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

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Exposure to credit risk, credit quality and collateral (cont'd)

The Group generally does not receive any collateral and credit enhancement from purchasers. However, the Group mitigate its credit risk by maintaining its name as the registered owner of the properties until full settlement by the purchaser of the self-financed portion of the purchase consideration or upon undertaking of end-financing by the purchasers' end-financier.

Concentration of credit risk

There was no significant concentration of credit risk and the exposure of credit risk for trade receivables and contract assets as at the end of the reporting period arise from domestic property development industry.

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 30 days. The Group's debt recovery process is as follows:

a. Above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the credit control department; and

b. If the customer did not abide by the agreed debt restructuring arrangement, the Group will issue notice of termination to commence termination of contract and recovery of the properties sold in order to reduce the credit risk exposure.

The Group measures expected credit loss ("ECL") of trade receivables individually. Consistent with the debt recovery process, invoices of which customers have defaulted on debt recovery arrangements are generally considered as credit impaired.

Loss rates are determined for each individual purchasers using past payment trends and other external information relating to the purchasers that are publicly available. In determining the loss rates for each individual purchaser, the Group also considers the value of properties sold that could be recovered upon termination of contract which will reduce credit loss arising from the trade receivables.

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2022 which are grouped together as they are expected to have similar risk nature.

Group	Gross carrying amount (RM)	Loss allowance (RM)	Net balance (RM)
2022			
Not past due	39,056,906	-	39,056,906
Past due 31 - 120 days	16,369,663	-	16,369,663
Past due 121 - 180 days	787,873	-	787,873
Past due 181 - 155 days	2,192,867	-	2,192,867
Past due more than 335 days	2,443,022	-	2,443,022
	60,850,331	-	60,850,331
Individually impaired	526,888	(526,888)	-
	61,377,219	**(526,888)**	**60,850,331**
Trade receivables	32,544,754	(526,888)	32,017,866
Contract assets	28,832,465	-	28,832,465
	61,377,219	**(526,888)**	**60,850,331**
2021			
Not past due	48,742,847	-	48,742,847
Past due 31 - 120 days	11,706,967	-	11,706,967
Past due 121 - 180 days	1,001,290	-	1,001,290
Past due 181 - 155 days	744,276	-	744,276
Past due more than 335 days	215,248	-	215,248
	62,410,628	-	62,410,628
Individually impaired	483,902	(483,902)	-
	62,894,530	**(483,902)**	**62,410,628**
Trade receivables	25,345,267	(483,902)	24,861,365
Contract assets	37,549,263	-	37,549,263
	62,894,530	**(483,902)**	**62,410,628**

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The Group did not receive any collateral in respect of the above trade receivables.

There are trade receivables where the Group has not recognised any loss allowance as the Group has maintained its name as the registered owner of the properties sold to customers until the trade receivables are collected.

The movements in the allowance for impairment in respect of trade receivables, deposit and contract assets during the year are shown below.

Group	2022 (RM)	2021 (RM)
Trade receivables - Credit impaired		
At beginning of year	483,902	472,001
Net remeasurement of loss allowance	42,986	11,901
At end of year	**526,888**	**483,902**

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables and deposits

Credit risks on other receivables and deposits are mainly arising from deposits and advances paid for property development activities to government entities, contractors and consultants. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

During the year, the Group and the Company has recorded an impairment loss allowance in respect of credit impaired refundable deposits amounting to RM1,900,000 (2021: RM Nil) and RM Nil (2021: RM1,900,000) respectively.

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Other receivables and deposits (cont'd)

The other receivables, except for the credit impaired refundable deposits, have low credit risks. Consequently, the Group and the Company are of the view that the loss allowance is not material.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

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

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

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 30 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for amounts due from subsidiaries as at 31 March 2022.

Company	2022 (RM)	2021 (RM)
Amount due from subsidiaries	308,256,313	305,725,278
Loss allowance - Credit impaired	(4,457,599)	(3,197,204)
	303,798,714	**302,528,074**

31. Financial instruments (cont'd)

31.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss (cont'd)

The movements in the allowance for impairment in respect of amounts due from subsidiaries during the year are shown below.

Company	2022 (RM)	2021 (RM)
Amount due from subsidiaries - Credit impaired		
At beginning of year	3,197,204	139,216,004
Net remeasurement of loss allowance	1,260,395	-
Transferred to impairment loss on investment in subsidiaries	-	(136,018,800)
At end of year	**4,457,599**	**3,197,204**

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM148,458,633 (2021: RM166,564,908) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

Recognition and measurement of impairment loss

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

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

The Company determines the probability of default of the guaranteed loans individually using internal information available.

31. Financial instruments (cont'd)

31.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2022	Carrying amount (RM)	Contractual interest rate (%)	Contractual cash flows (RM)	Under 1 year (RM)	1 - 5 years (RM)	More than 5 years (RM)
Group						
Non-derivative financial liabilities						
Trade and other payables - non-interest bearing	134,819,859	-	134,819,859	104,946,750	29,873,109	-
Lease liabilities	671,149	1.75 - 7.01	717,228	554,511	162,717	-
Loans and borrowings	253,086,178	3.70 - 6.51	297,166,607	63,861,095	177,931,428	55,374,084
	388,577,186		**432,703,694**	**169,362,356**	**207,967,254**	**55,374,084**
Company						
Non-derivative financial liabilities						
Trade and other payables - interest bearing	111,154,791	1.74	111,154,791	111,154,791	-	-
- non-interest bearing	12,744,093	-	12,744,093	12,744,093	-	-
Lease liabilities	316,740	5.23	332,617	235,350	97,267	-
Loans and borrowings	103,877,545	3.70 - 6.51	119,573,559	39,343,663	80,229,896	-
Financial guarantee *	-	-	148,458,633	148,458,633	-	-
	228,093,169		**392,263,693**	**311,936,530**	**80,327,163**	**-**

* Based on the maximum amount that can be called for under the financial guarantee contract.

31. Financial instruments (cont'd)

31.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

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

2021	Carrying amount (RM)	Contractual interest rate (%)	Contractual cash flows (RM)	Under 1 year (RM)	1 - 5 years (RM)	More than 5 years (RM)
Group						
Non-derivative financial liabilities						
Trade and other payables - non-interest bearing	171,818,271	-	171,818,271	136,092,381	35,725,890	-
Lease liabilities	1,071,875	3.24 - 7.01	1,152,663	760,493	392,170	-
Loans and borrowings	292,259,351	3.75 - 6.51	328,803,267	108,341,535	182,838,121	37,623,611
	465,149,497		**501,774,201**	**245,194,409**	**218,956,181**	**37,623,611**
Company						
Non-derivative financial liabilities						
Trade and other payables - interest bearing	208,737,892	1.86	208,737,892	208,737,892	-	-
- non-interest bearing	12,802,286	-	12,802,286	12,802,286	-	-
Lease liabilities	457,580	5.23	495,784	317,815	177,969	-
Loans and borrowings	125,694,444	3.75 - 6.51	133,822,359	84,648,735	49,173,624	-
Financial guarantee *	-	-	166,564,908	166,564,908	-	-
	347,692,202		**522,423,229**	**473,071,636**	**49,351,593**	**-**

* Based on the maximum amount that can be called for under the financial guarantee contract.

31. Financial instruments (cont'd)

31.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Group's and the Company's financial position or cash flows.

Interest rate risk

The Group's and the Company's fixed rate lease liabilities are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investment in financial assets, short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate loans and borrowings. This strategy allows it to capitalise on cheaper funding in a low interest rate environment and achieve a certain level of protection against rate hikes.

Exposure to interest rate risk

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

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Fixed rate instruments				
Financial assets	3,138,629	3,100,230	273,432	273,432
Lease liabilities	(671,149)	(1,071,875)	(316,740)	(457,580)
	2,467,480	**2,028,355**	**(43,308)**	**(184,148)**
Floating rate instruments				
Financial assets	-	-	303,798,714	302,528,074
Financial liabilities	(253,086,178)	(292,259,351)	(215,032,336)	(334,432,336)
	(253,086,178)	**(292,259,351)**	**88,766,378**	**(31,904,262)**

31. Financial instruments (cont'd)

31.6 Market risk (cont'd)

Interest rate risk (cont'd)

Interest rate risk sensitivity analysis

a. Fair value sensitivity analysis for fixed rate instruments

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

b. Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Floating rate instruments				
100 bp increase	(1,923,455)	(2,221,171)	674,624	(242,472)
100 bp decrease	1,923,455	2,221,171	(674,624)	242,472

31.7 Fair value information

The carrying amounts of cash and cash equivalents, short-term receivables, payables and borrowings reasonably approximate fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

It was not practical to estimate fair value of investment in unquoted equity due to the lack of comparable quoted prices in active market and the fair value cannot be reliably measured.

The table below analyses non-current financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

31.7 Fair value information (cont'd)

Group 2022	Fair value of financial instruments carried at fair value Level 1 (RM)	Level 2 (RM)	Level 3 (RM)	Total (RM)	Fair value of financial instruments not carried at fair value Level 1 (RM)	Level 2 (RM)	Level 3 (RM)	Total (RM)	Carrying amount (RM)
Financial assets									
Non-current									
Other receivables	-	-	-	-	-	-	1,232,600	1,232,600	1,232,600
Refundable deposits	-	-	-	-	-	-	1,768,830	1,768,830	1,768,830
Other investment	44,757,124	-	-	44,757,124	-	-	-	-	-
	44,757,124	**-**	**-**	**44,757,124**	**-**	**-**	**3,001,430**	**3,001,430**	**3,001,430**
Financial liabilities									
Non-current									
Trade payables	-	-	-	-	-	-	29,682,109	29,682,109	29,682,109
Refundable deposits	-	-	-	-	-	-	191,000	191,000	191,000
Loans and borrowings	-	-	-	-	-	-	200,594,646	200,594,646	200,594,646
	-	**-**	**-**	**-**	**-**	**-**	**230,467,755**	**230,467,755**	**230,467,755**

31. Financial instruments (cont'd)

31.7 Fair value information (cont'd)

Group 2021	Fair value of financial instruments not carried at fair value Level 1 (RM)	Level 2 (RM)	Level 3 (RM)	Total (RM)	Carrying amount (RM)
Financial assets					
Non-current					
Other receivables	-	-	1,157,463	1,157,463	1,157,463
Refundable deposits	-	-	4,193,905	4,193,905	4,193,905
	-	**-**	**5,351,368**	**5,351,368**	**5,351,368**
Financial liabilities					
Non-current					
Trade payables	-	-	35,282,326	35,282,326	35,282,326
Refundable deposits	-	-	443,564	443,564	443,564
Loans and borrowings	-	-	223,897,292	223,897,292	223,897,292
	-	**-**	**259,623,182**	**259,623,182**	**259,623,182**

31. Financial instruments (cont'd)

31.7 Fair value information (cont'd)

Company	Fair value of financial instruments not carried at fair value Level 1 (RM)	Level 2 (RM)	Level 3 (RM)	Total (RM)	Carrying amount (RM)
2022					
Financial assets					
Non-current					
Refundable deposits	-	-	35,047	35,047	35,047
Financial liabilities					
Non-current					
Loans and borrowings	-	-	69,439,022	69,439,022	69,439,022
2021					
Financial assets					
Non-current					
Refundable deposits	-	-	43,052	43,052	43,052
Financial liabilities					
Non-current					
Loans and borrowings	-	-	78,991,452	78,991,452	78,991,452

31. Financial instruments (cont'd)

31.7 Fair value information (cont'd)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Level 3 fair value is determined using the discounted cash flows valuation technique using a rate based on the current market rate of borrowing of the respective group entities at the reporting date.

32. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group's approach for capital management is to monitor and maintain an optimal debt-to-equity ratio. The debt-to-equity ratios at 31 March 2022 and 31 March 2021 are as follows:

Group	2022 (RM)	2021 (RM)
Loans and borrowings	253,086,178	292,259,351
Lease liabilities	671,149	1,071,875
Less: Deposits placed with licensed banks	(3,138,629)	(3,100,230)
Less: Cash and bank balances	(14,923,969)	(65,870,681)
Net debts	**235,694,729**	**224,360,315**
Total equity	**456,952,876**	**462,420,949**
Debt-to-equity ratio	**51%**	**49%**

33. Related parties

Identity of related parties

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

The Group has related party relationship with its holding company, subsidiaries, associate and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and of the Company, other than key management personnel compensation (see Note 25) and dividend income, are shown below. The balances related to the below transactions are shown in Note 11 and Note 19.

	Group		Company	
	2022 (RM)	2021 (RM)	2022 (RM)	2021 (RM)
Subsidiaries				
Dividend income	-	-	124,500,000	25,000,000
Interest receivable	-	-	5,077,064	8,601,177
Interest payable	-	-	2,109,008	2,885,516
Management fee received	-	-	4,977,000	4,107,600
Rental received	-	-	31,200	31,200

34. Material litigation

On 6 April 2021, the Company received a Writ Summons and Statement of Claim ("Claim") served by the solicitors for Apple Rainbow Sdn. Bhd., E-Hong Holdings Sdn. Bhd., Wong Yoon Tzy and Bio-Energy Technology Sdn. Bhd. (the "Plaintiffs"). The Plaintiffs are seeking for the following reliefs:

1. Special damages amounting to RM11,042,725.52;
2. General damaged to be quantified by the Court;
3. Interest of 5% per year on the said sum of RM11,042,724.52 to be calculated from the date of filing of the Claim until the date of full settlement;
4. Cost; and
5. Exemplary damages to be assessed by the Court.

Upon receiving this Claim, the Company had appointed Shearn Delamore & Co. ("SD") to defend the Company. The Company has submitted its Defence and Counterclaim on 4 May 2021. SD opine that it was a misrepresentation by the Plaintiffs. Based on the legal advice, the Company will contest this Claim. Trial dates has been fixed on 7 to 10 November 2022.

35. Subsequent events

On 10 June 2022, the Company announced the proposals:

a. Proposed renounceable rights issue of up to 88,000,000 new ordinary shares in the Company on the basis of 1 Rights Share for every 4 existing Shares held, together with up to 88,000,000 free detachable warrants; and

b. Proposed exemption under Paragraph 4.08(1)(b) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions to Heng Holdings Sdn. Bhd. and persons acting in concert with it, from the obligation to undertake a mandatory offer for the remaining the Company's shares and Warrants not already owned by them pursuant to the Proposed Rights Issue with Warrants.

The application in relation to the proposals has been submitted to Bursa Securities and approved on 14 July 2022.

36. Comparative information

Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 March 2021.

The financial statements of the Group and of the Company for the financial year ended 31 March 2021 were audited by another firm of Chartered Accountants.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 72 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as of 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Ho Wen Yan
Director

Ho Wen Fan
Director

Kuala Lumpur,

Date: 20 July 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Tan Hwai Lun, the officer primarily responsible for the financial management of Hua Yang Berhad, do solemnly and sincerely declare that the financial statements set out on pages 72 to 161 are, to the best of my knowledge and belief are correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed Tan Hwai Lun, NRIC: 770815-10-5155, MIA: CA 24085, at Kuala Lumpur in the Federal Territory on 20 July 2022.

Tan Hwai Lun

Before me:

Amir Bin Ismail
Pesuruhjaya Sumpah
No. W800
No. 33-4, Jalan Medan Tuanku,
50300 Kuala Lumpur

Date: 20 July 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hua Yang Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 72 to 161.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
Revenue recognition for property development activities The Group recorded revenue from sales of development properties and developed properties amounting to RM70,997,652 and RM40,960,762 respectively. Revenue recognition from sales of development and developed properties is identified as a key audit matter because significant judgements were applied in revenue recognition, amongst others include: • Probability of collection of consideration from purchasers, especially cash and foreign purchasers. • Measurement of progress towards satisfaction of performance obligations using cost incurred method, in particular, relating to the estimation of the total costs required to complete the work used in the calculation of stage of completion.	• We reviewed contracts with customers and relevant supporting documents and assessed the appropriateness of revenue recognition under MFRS 15; • We reviewed the Group's assessment relating to the probability of collection of consideration from customers, in particular for customers who are not supported by end-financiers; • We agreed the estimated total costs to complete the works to the feasibility study prepared by the Group and compared the details of the estimated costs against documentary evidence in order to evaluate the reasonableness of the estimated total property development costs; and • We corroborated the progress towards satisfaction of performance obligations using cost incurred method against the progress of construction works as stipulated in progress reports from contractors and our enquiry of site personnel. Based on the progress of the development, we considered the Group's exposure to liquidated ascertained damages claims from property buyers.
Valuation of developed properties Inventories of the Group comprised unsold developed properties amounting to RM47,683,106 from completed property development projects. Developed properties are measured at lower of cost and net realisable value. The determination of the estimated net realisable value for these developed properties depends on the Group's expectation on future selling prices. Valuation of developed properties is identified as a key audit matter because these developed properties were available for sales since the launch of the property development projects in previous years and the challenges faced by the Group in selling these developed properties may indicate that the Group's expectation of future selling prices may not be attainable.	• We checked the valuation of developed properties against selling prices for developed properties sold subsequent to year end or selling prices of similar developed properties sold wit in the same development project to identify indications that net realisable value of developed properties are below their carrying amounts.

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
Impairment of investments in subsidiaries and amounts due from subsidiaries Investments in subsidiaries with carrying amount of RM205,607,757 is reviewed at the reporting date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the investments in subsidiaries is estimated and impairment losses are recognised if the carrying amount of investments in subsidiaries exceeds their estimated recoverable amount. Amounts due from subsidiaries with carrying amount of RM303,798,714 is reviewed at the reporting date to determine whether it is credit impaired. Expected credit losses on amounts due from subsidiaries are reviewed at the reporting date. Impairment of investments in subsidiaries and amounts due from subsidiaries are identified as a key audit matter because the carrying amounts relating to certain loss making subsidiaries are material and the basis and key assumptions used in determining the amount of impairment is subject to significant estimation uncertainty and changes to these key assumptions are highly sensitive.	• We have checked the impairment indicators reviewed by the Company in respect of investment in subsidiaries, which includes review of the financial performance for the year and financial position at the reporting date for respective subsidiaries. • We have evaluated the reasonableness of the impairment loss in respect of investments in subsidiaries and amounts due from subsidiaries recorded by the Company, including the basis and assumption used to forecast future cash flows from subsidiaries in estimating the expected credit losses for the amounts due from subsidiaries in estimating the expected credit losses for the amounts due from subsidiaries and the calculation of recoverable amount for the investments in subsidiaries.

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 the 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 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 ability of the Group and of the Company 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 and the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2021, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on those statements on 25 August 2021.

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

TGS TW PLT
202106000004 (LLP0026851-LCA) & AF002345
Chartered Accountants

TAN TIAN WOOI
02969/05/2024 J
Chartered Accountant

KUALA LUMPUR

20 July 2022

LIST OF GROUP'S PROPERTIES

AS AT 31 MARCH 2022

Description and Existing Use	Location	Tenure	Floor Area (Sq. Ft.)	Age of Building (Years)	Net Book Value (RM' 000)	Year of Acquisition	Registered / Beneficial Owner
4 ½ Storey Shop Office for office use	123, Jalan Raja Permaisuri Bainun (Jalan Kampar), 30250 Ipoh, Perak Darul Ridzuan	Freehold	8,027	41	305	1993	Yoon Lian Realty Sendirian Berhad / Hua Yang Berhad
1 unit of 3-Storey Shop Office and 1 unit of 8-Storey Shop Office for office use	C-21 & C-22, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	20,516	17	2,168	2005	Hua Yang Berhad
Car park bays, Medan Selayang	Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	138,166	17	1,466	2005	Hua Yang Berhad
2 units 2-Storey Shop Office for office use	53 & 55, Jalan Besi, Taman Sri Putri, 81300 Skudai, Johor Darul Takzim	Freehold	6,544	11	630	2011	Grandeur Park Sdn Bhd
2 units Shop Office for office use	B-20-G & B-20-1, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan	Leasehold 99 years, expiring on 10 April 2101	3,466	17	669	2015	Hua Yang Berhad

LIST OF GROUP'S PROPERTIES (CONT'D)

AS AT 31 MARCH 2022

Description and Existing Use	Location	Tenure	Land Area (Acres)	Remaining Land for Development (Acres)	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land approved for mixed development	Geran 231624 Lot 5024 Mukim Senai, Daerah Kulaijaya and Geran 95306 Lot 2742 Mukim Pulai, Daerah Johor Bahru, Johor Darul Takzim	Freehold	134.47	17.46	15,702	2009	2011	Grandeur Park Sdn Bhd
Development land approved for mixed development	H.S.(D) 45670 PTB 10964, H.S.(D) 79521 PTB 10965, H.S.(D) 496784 PTB 13738, H.S.(D) 124896 PTB 13739, H.S.(D) 116405 PTB 13721, H.S.(D) 116406 PTB 13722, Geran 24543 Lot 9917 Bandar and Daerah of Johor Bahru	Freehold	1.08	1.08	5,868	2012	N/A	Grandeur Park Sdn Bhd
Development land approved for mixed development	Lot 6022-6029, H.S.(D) 279-286, Mukim Plentong, Daerah Johor Bahru, Johor	Freehold	73.16	57.23	74,374	2016	2017	Grand View Realty Sdn Bhd
Homestead agriculture lot and development land approved for residential development	Lot No. 8892, 8909, 8912-8922, 9594, 9694, 9697-9710 Mukim Seremban, Daerah Seremban, Negeri Sembilan Darul Khusus	Freehold	17.65	17.65	6,709	1995	N/A	Hua Yang Berhad
Development land approved for mixed development	PN 321352 PT 83316, PN 321353 PT 83317, PN 321354 PT 83318, PN 321355 PT 83319, PN 95921 Lot 110502, PN 95922 Lot 110503, PN 95923 Lot 110506 Mukim Petaling, Dearah Petaling, Selangor Darul Ehsan	Leasehold (Expiring Dec 2110)	26.81	26.81	234,907	2013	N/A	Bison Holdings Sdn Bhd

Description and Existing Use	Location	Tenure	Land Area (Acres)	Remaining Land for Development (Acres)	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land approved for mixed development	Lot 42298 (PT 88782 & PT 88783) and H.S.(D) 154349 (PT 74041), Mukim Pekan Kampung Sungai Tangkas and H.S.(D) 131583 (PT 68248) and H.S.(D) 131584 (PT 68249), Mukim Kajang, District of Ulu Langat, Selangor Darul Ehsan	Freehold	19.76	19.76	72,195	2018	N/A	Kajang Heights Development Sdn Bhd
Development land approved for mixed development	Lot 12670 (PT 1347) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring April 2103)	739	220.96	27,463	1991	2001	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	Lot 11329 (PT 2062-PT 2409, PT 2699-PT 2713 & PT 2715) Mukim Bota, Daerah Tengah, Perak Darul Ridzuan	Leasehold (Expiring 7 April 2102)	38	2	687	1996	2001	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	54 lots of commercial title, Lot 105147 – 105200 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	2	2	5,186	2013	N/A	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	Geran 173564, 173583, 173584 & PN 73938 (Lot 397470, 397469, 8670 & 102133) Mukim Hulu Kinta, Perak Darul Ridzuan	Freehold except Lot 102133 (Expiring 23 December 2105)	7.21	7.21	35,029	2015	N/A	Agro-Mod Industries Sdn Bhd
Development land approved for commercial development	52 lots of commercial title, Lot 105837 – 105888 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Leasehold (Expiring 23 December 2080)	2	2	6,001	2017	N/A	Agro-Mod Industries Sdn Bhd

Description and Existing Use	Location	Tenure	Land Area (Acres)	Remaining Land for Development (Acres)	Net Book Value (RM' 000)	Year of Acquisition	Year of Commencement of Development	Registered / Beneficial Owner
Development land approved for residential development	Lot 320213 & 320214 (Geran 72080 & 72079), Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.7	2.39	738	1994	2012	Yoon Lian Realty Sendirian Berhad
Development land approved for mixed development	H.S.(D) 204382 PT 245009 Mukim Hulu Kinta, Daerah Kinta, Perak Darul Ridzuan	Freehold	3.8	3.8	20,148	2017	N/A	Yoon Lian Realty Sendirian Berhad
Development land approved for mixed development	Geran 171330, Lot 10263, Seksyen 4 Bandar Bukit Mertajam, Pulau Pinang	Freehold	4.9	2.45	23,444	2015	2020	Tinggian Development Sendirian Berhad
Development land approved for mixed development	Lot 20328 & 20329, Mukim 13, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	9.5	9.5	28,583	2016	N/A	Tinggian Development Sendirian Berhad
Development land approved for mixed development	Lot 10414-10416, Mukim 6, Daerah Seberang Perai Tengah, Pulau Pinang	Freehold	6.78	2.46	17,487	2016	2016	G Land Development Sdn Bhd
Agriculture land	Geran Mukim 1173, Lot 4439, Mukim Dengkil, Tempat Sungai Merab, Daerah Sepang, Selangor Darul Ehsan	Freehold	5.14	5.14	3,051	2021	N/A	Sunny Mode Sdn Bhd

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

SHARE CAPITAL

Issued and fully paid-up capital:	RM352,000,000
Class of shares:	Ordinary Shares
Voting rights:	One vote per Ordinary Share

ORDINARY SHARE DISTRIBUTION SCHEDULE AS AT 30 JUNE 2022

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	993	15.90	47,140	0.01
100 - 1,000	424	6.79	210,282	0.06
1,001 - 10,000	2,607	41.74	12,908,541	3.67
10,001 - 100,000	1,888	30.23	59,118,453	16.80
100,001 - 17,599,999*	332	5.31	180,959,623	51,41
17,600,000 and above**	2	0.03	98,755,961	28.05
Total	**6,246**	**100.00**	**352,000,000**	**100.00**

Remark:

* Less than 5% of issued shares
** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS AS AT 30 JUNE 2022

No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1.	Tan Sri Dato' Seri Dr. Ting Chew Peh	391,110	0.11	336,274 [(2)]	0.10
2.	Ho Wen Yan	1,804,440	0.51	112,089,294 [(1)]	31.84
3.	Dato' Tan Bing Hua	70,221	0.02	200,000 [(2)]	0.06
4.	Chew Po Sim	-	-	112,089,294 [(1)]	31.84
5.	Chew Hoe Soon	393,554	0.11	809,920 [(3)]	0.23
6.	Y.A.M. Tengku Dato' Rahimah Binti Al-Marhum 7.Sultan Mahmud	-	-	-	-
7.	Ho Wen Fan (Alternate Director)	-	-	112,089,294 [(1)]	31.84

Notes:

(1) Deemed interest by virtue of her/his substantial shareholdings in Heng Holdings Sdn Berhad.
(2) Deemed interest by virtue of the shareholdings of his spouse.
(3) Deemed interest by virtue of the shareholdings of his spouse and children.

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2022

No.	Name of Directors	Direct Interest	%	Deemed Interest	%
1.	Heng Holdings Sdn Berhad	112,089,294	31.84	-	-
2.	Chew Po Sim	-	-	112,089,294 [1]	31.84
3.	Ho Min Yi	-	-	112,089,294 [1]	31.84
4.	Ho Wen Yan	1,804,440	0.51	112,089,294 [1]	31.84
5.	Ho Wen Han	-	-	112,089,294 [1]	31.84
6.	Ho Wen Fan	-	-	112,089,294 [1]	31.84

Notes:

(1) Deemed interest by virtue of his/her substantial shareholdings in Heng Holdings Sdn Berhad.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

AS AT 30 JUNE 2022

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2022

No.	Name of Shareholders	No. of Shares	%
1.	Heng Holdings Sdn. Berhad	78,922,628	22.42
2.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Heng Holdings Sdn Berhad (PB)	19,833,333	5.63
3.	HSBC Nominees (Tempatan) Sdn Bhd HBAP for Heng Holdings Sdn. Bhd. (PB-SGDIV)	13,333,333	3.79
4.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)	9,480,934	2.69
5.	Ho Khon Yok	8,551,333	2.43
6.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	6,874,600	1.95
7.	Goh Swee Boh @ Goh Cheng Kin	5,834,920	1.66
8.	Ng Keat Siew	4,480,540	1.27
9.	Lim Khuan Eng	3,970,000	1.13
10.	Loh Kok Wai	3,471,866	0.99
11.	Maybank Nominees (Tempatan) Sdn Bhd Liau Sek Thoon	3,031,233	0.86
12.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Tay Lek Heng (E-JAH)	3,020,232	0.86
13.	Ho Mook Leong	3,019,406	0.86
14.	Erica Madeleine Ee Mein Martin	2,395,305	0.68
15.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Ong Siew Eng @ Ong Chai (8040800)	2,334,700	0.66

LIST OF 30 LARGEST SHAREHOLDERS AS AT 30 JUNE 2022 (CONT'D)

No.	Name of Shareholders	No. of Shares	%
16.	RHB Nominees (Tempatan) Sdn Bhd OCI Engineering Sdn Bhd (Clients Account)	2,222,221	0.63
17.	Lee Ah Har @ Lee Kong Yip	2,001,253	0.57
18.	Wong Choong Loong	1,987,000	0.56
19.	Loo Hooi Eng	1,968,554	0.56
20.	Ten Kin Kok	1,898,100	0.54
21.	JF Apex Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Chee Keong (STA 5)	1,850,000	0.53
22.	Ho Wen Yan	1,804,440	0.51
23.	Ho Chon Yin	1,799,665	0.51
24.	Stephen Paul Chong	1,409,872	0.40
25.	Liew Siew Lee	1,390,954	0.40
26.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Chee Boon (E-IMO)	1,371,700	0.39
27.	Life Enterprise Sdn Bhd	1,239,077	0.35
28.	Lee Tock Loe	1,230,000	0.35
29.	Tan Seng	1,189,200	0.34
30.	Muhamad Aloysius Heng	1,154,500	0.33

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Forty-Third Annual General Meeting of Hua Yang Berhad will be held at the Head Office of the Company at 4th Floor, C-21 Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor on Tuesday, 30 August 2022 at 10.30 a.m. for the following purposes:

AGENDA

No.	As Ordinary Business	
1.	To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon.	
2.	To approve the payment of Directors' fees of RM600,190 and benefits for the financial year ended 31 March 2022.	(Resolution 1)
3.	To approve the payment of meeting attendance allowance of RM1,000 per meeting day for each Non-Executive Director from August 2022 till July 2023.	(Resolution 2)
4.	To re-elect the following Directors retiring pursuant to Article 97(1) of the Company's Constitution:- 4.1 Tan Sri Dato' Seri Dr. Ting Chew Peh 4.2 Dato' Tan Bing Hua	 (Resolution 3) (Resolution 4)
5.	To re-appoint TGS TW PLT as Auditors of the Company for the ensuing year and to authorise the Board of Directors to fix their remuneration.	(Resolution 5)
	As Special Business	
6.	**Ordinary Resolution 1** **Continuation in Office as Independent Non-Executive Director** "**THAT** subject to the passing of Resolution 3, approval be and is hereby given to Tan Sri Dato' Seri Dr. Ting Chew Peh who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, to continue to act as an Independent Non-Executive Director of the Company until 31 May 2023."	(Resolution 6)
7.	**Ordinary Resolution 2** **Continuation in Office as Independent Non-Executive Director** "**THAT** subject to the passing of Resolution 4, approval be and is hereby given to Dato' Tan Bing Hua who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve years, to continue to act as an Independent Non-Executive Director of the Company until 31 May 2023."	(Resolution 7)
8.	**Ordinary Resolution 3** **Authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act 2016** "**THAT**, pursuant to Sections 75 & 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 20% of the total number of issued shares of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."	(Resolution 8)
9.	To transact any other ordinary business of which due notice shall have been given.	

BY ORDER OF THE BOARD

LEONG OI WAH (MAICSA 7023802) (SSM Practising Certificate No.: 201908000717)
TAN HWAI LUN (MIA 24085) (SSM Practising Certificate No.: 202008001765)
LAM CHO WAI (MIA 37324) (SSM Practising Certificate No.: 202008001864)

Company Secretaries

Selangor Darul Ehsan
29 July 2022

NOTES:

1. Only members whose name appear in the Record of Depositors as at 26 August 2022 will be entitled to attend the Annual General Meeting or appoint proxy/proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote on his/her stead.

2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy/proxies who may but need not be a member/members of the Company to attend and vote in his/her stead.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint up to two (2) proxies in respect of each securities account it may hold with ordinary shares of the Company standing to the credit of the said securities account.

5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his/her attorney duly authorised in writing or, if the appointor is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the Registered Office of the Company at C-21, Jalan Medan Selayang 1, Medan Selayang, 68100 Batu Caves, Selangor Darul Ehsan not less than forty-eight (48) hours before the time appointed for the Meeting or any adjournment thereof.

6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 43rd AGM will be put to vote by poll. Poll administrators and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

7. On agenda 2, the benefits relates to the provision of a driver for use by the Company's Chairman.

8. On agenda 4, for the purpose of determining the eligibility of the Directors to stand for re-election at the 43rd AGM, the Board through its Nomination Committee had assessed Tan Sri Dato' Seri Dr. Ting Chew Peh and Dato' Tan Bing Hua (collectively "the Retiring Directors"). The Retiring Directors were assessed on their performance and understanding of the Group's business. Their active participation at the Board meetings showed that they were prepared and were effective in the discharge of their responsibilities. The Board also noted that no circumstances have arisen in the past year to impair the independent judgement of the Retiring Directors on matters brought for Board discussion. The Retiring Directors have always acted in the best interest of the Company as a whole.

Based on the above, the Board supports the re-election of the Retiring Directors.

COVID-19 OUTBREAK MEASURE NOTES

The health and safety of our members and staff who will attend the 43rd AGM are top priority of the Company. Hence, the following precautionary measures will be taken for the conduct of the 43rd AGM:

a. *Only fully vaccinated Attendees (referring, in a collective sense, to members / proxies / management personnel / invited guests) ARE ALLOWED to attend the 43rd AGM.*

b. *Members or proxies are encouraged to abide by the most current regulations in place and enforced by the Ministry of Health and Government of Malaysia at the time deciding on whether or not to attend the 43rd AGM in person.*

c. *Members are encouraged to appoint the Chairman of the meeting (or any other person) to act as proxy to attend and vote at the 43rd AGM on their behalf by submitting the proxy form with predetermined voting instruction.*

d. *Members or proxies who are feeling unwell or have been placed on quarantine orders or stay-at-home notices, you are advised to refrain from attending the 43rd AGM in person.*

e. *Members or proxies who had been in physical contact with a person infected with COVID-19 are advised to refrain from attending the 43rd AGM in person.*

f. *In the interest of the public health including the well-being of our members, members must cooperate with the precautionary measures out in place by the Company should members (or your proxies) wish to attend the 43rd AGM in person.*

g. *Members or proxies must sanitise their hands and are strongly advised to wear a face mask if they are attending the meeting in person.*

h. *Members or proxies are advised to observe/maintain social distancing throughout the meeting.*

In view of the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 43rd AGM at short notice. Kindly check Bursa Securities' and Company's website at ***www.huayang.com.my*** *for the latest updates on the status of the said meeting.*

EXPLANATORY NOTE ON SPECIAL BUSINESS:

RESOLUTIONS 6 & 7

The proposed Resolutions, if passed, will enable Tan Sri Dato' Seri Dr. Ting Chew Peh and Dato' Tan Bing Hua to continue in office as Independent Non-Executive Directors of the Company.

The Nomination Committee and the Board have assessed the independence of Tan Sri Dato' Seri Dr. Ting Chew Peh and Dato' Tan Bing Hua at its meetings held on 25 May 2022 and have recommended that they continue to act as Independent Non-Executive Directors of the Company based on the following justifications:

a. They have completed the forms of declaration affirming their independence as per the definition of the Listing Requirements.

b. The have actively participated in board discussion and provided an independent voice on the Board.

c. They provide a check and balance and bring an element of objectivity to the Board of Directors.

d. They continue to be scrupulously independent in their thinking and in their effectiveness as constructive challengers of the Chief Executive Officer.

RESOLUTION 8

The proposed Resolution 8, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the total number of issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company.

Bursa Securities has via their letter dated 23 December 2021 granted an extension to the temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Companies Act 2016 from its shareholders at the forthcoming 43rd AGM of the Company.

The 20% General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions. The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of 31 December 2022.

The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by COVID-19 pandemic, this 20% General Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected be used as working capital to finance day-to-day operational expenses, on-going projects or future projects / investments to ensure the long-term sustainability of the Company.

The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with our Personal Data Protection Notice set out in **www.huayang.com.my**. Further, you hereby warrant that relevant consent has been obtained for us to process any third party's personal data provided by you in accordance with our said Personal Data Protection Notice.