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MARINA BINTI RAZALI

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201701008280(1222445-V), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
201801010116(1272131-K), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
201201019223(989368-H), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00

**LANDASAN LUMAYAN SDN. BHD. (201201019223 (989368 - H))**  
**(Incorporated in Malaysia)**

**DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

These Financial Statements and Reports  
of the Company with Unqualified Auditors' Report  
for the financial year ended 31 December 2021  
were circulated on 30 June 2022

*Marina*

.....  
MARINA BINTI RAZALI  
COMPANY SECRETARY  
LS0009329



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LANDASAN LUMAYAN SDN. BHD.  
(Incorporated in Malaysia)

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**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors hereby submit their report and the audited financial statements of the Economic Entity and of the Company for the financial year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is general contractor and developer. There have been no significant changes in the nature of this activity during the financial year.

**RESULTS**

	<b>Economic entity RM</b>	<b>Company RM</b>
Loss for the financial year	<u>988,138</u>	<u>983,972</u>

**DIVIDEND**

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any final dividend in respect of the current financial year.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year.

**ISSUE OF SHARES AND DEBENTURES**

The Company did not issue any of new shares or debentures during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

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

## DIRECTORS

The Directors who have held office since the beginning of the financial year to the date of this report are:

Raja Shahreen bin Raja Othman	
Syaiful Azmen bin Nordin	
Dr. Nor Fuad bin Abdul Hamid	
Ir. Izham bin Hashim	
Norita binti Mohd Sidek	
Muhammad Heeza Bin Hassan	(Appointed on 1 October 2021)
(Alternate Director to Dr. Nor Fuad bin Abdul Hamid)	
TPr. Md Nazri Bin Abdullah	(Appointed on 22 December 2021 and resigned on 1 March 2022)
Nor Azlina binti Abdul Aziz	
(Alternate Director to Dr. Nor Fuad bin Abdul Hamid)	(Resigned on 1 October 2021)

## DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares of the Company and of its related corporations during the financial year ended 31 December 2021 as recorded in the Register of Directors' Shareholding kept by the Company under Section 59 of the Companies Act 2016 in Malaysia were as follows:

	Balance as at 1.1.2021	Number of ordinary shares		Balance as at 31.12.2021
		Acquired	Sold	
<b>Shares in a related corporation, Kumpulan Perangsang Selangor Berhad</b>				
Syaiful Azmen bin Nordin	15,000	-	-	15,000

None of the other Directors holding office at the end of the financial year held any interest in the ordinary shares and options over ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those remunerations received by certain Director as directors/executives of its related corporations.

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

## DIRECTORS' REMUNERATION

The details of the Directors' remuneration are disclosed in Note 20(c) to the financial statements.

## **INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS**

There were no indemnity given to or insurance effected for the Directors and officers of the Company during the financial year.

There were no indemnity given to or insurance effected for the auditors of the Company during the financial year.

## **OTHER STATUTORY INFORMATION REGARDING THE ECONOMIC ENTITY AND THE COMPANY**

### **(I) AS AT THE END OF THE FINANCIAL YEAR**

(a) Before the financial statements of the Economic Entity and the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and that provision need not be made for doubtful debts; and
- (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of the operations of the Economic Entity and the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

### **(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

(c) The Directors are not aware of any circumstances:

- (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Economic Entity and of the Company;
- (ii) which would render the values attributed to current assets in the financial statements of the Economic Entity and of the Company misleading; and
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Economic Entity and of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

- (i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Economic Entity and of the Company during the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Economic Entity and of the Company to meet its obligations as and when they fall due.

**OTHER STATUTORY INFORMATION REGARDING THE COMPANY (continued)**

**(III) AS AT THE DATE OF THIS REPORT**

- (a) There are no charges on the assets of the Economic Entity and of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.
- (b) There are no contingent liabilities of the Economic Entity and of the Company which have arisen since the end of the financial year.
- (c) The Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Economic Entity and of the Company misleading.

**HOLDING CORPORATION**

The Directors regard Menteri Besar Selangor (Pemerbadanan), a corporate body formed under Enactment No. 3 of the Menteri Besar Selangor (Incorporation), Enactment 1994, as the ultimate holding corporation.

**SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE  
END-OF-THE-REPORTING-PERIOD**

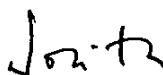
~~Significant events during the financial year and subsequent to the end of the reporting period are disclosed in Note 22 to the financial statements.~~

**AUDITORS**

The auditors, BDO PLT (LLP0018825-LCA & AF 0206), have expressed their willingness to continue in office.

The details of auditors' remuneration of the Company for the financial year ended 31 December 2021 is disclosed in Note 17 to the financial statements.

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



Norita binti Mohd Sidek  
Director

Shah Alam, Selangor  
17 June 2022



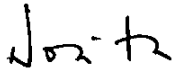
Syaiful Azmen bin Nordin  
Director

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 10 to 37 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2021 and of the financial performance and cash flows of the Economic Entity and of the Company for the financial year then ended.

On behalf of the Board,



**Norita binti Mohd Sidek**  
Director



**Syaiful Azmen bin Nordin**  
Director

Shah Alam, Selangor  
17-June-2022

**STATUTORY DECLARATION**

I, Zannifa Azura binti Ahmad, being the officer primarily responsible for the financial management of Landasan Lumayan Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 10 to 37 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly — )  
declared by the abovenamed at )  
Shah Alam Selangor this )  
17 June 2022 )

  
**Zannifa Azura binti Ahmad**

Before me:



LEMBAGA URUS AIR SELANGOR (LUAS)  
TINGKAT 13, BANGUNAN DARUL EHSAN  
NO. 3, JALAN INDAH, SEKSYEN 14  
40000 SHAH ALAM  
SELANGOR DARUL EHSAN



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360 Jalan Tuanku Abdul Rahman  
50100 Kuala Lumpur  
Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
LANDASAN LUMAYAN SDN. BHD.  
(Incorporated in Malaysia)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Landasan Lumayan Sdn. Bhd., which comprise the statement of financial position as at 31 December 2021 of the Economic Entity and of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Economic Entity 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 10 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Economic Entity and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") 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 ("ISAs"). 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 Economic Entity 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.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2 to the financial statements, which indicates that the Economic Entity and the Company incurred a loss of RM988,138 and RM983,972 respectively during the year ended 31 December 2021 and, as of that date, the Economic Entity and the Company had capital deficiency of RM24,332,295 and RM24,328,129 respectively. As stated in Note 2, these conditions indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
LANDASAN LUMAYAN SDN. BHD. (continued)  
(Incorporated in Malaysia)**

**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 Directors' Report, but does not include the financial statements of the Economic Entity and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Economic Entity and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Economic Entity and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Economic Entity 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 Directors' Report, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors for the Financial Statements**

The Directors of the Company are responsible for the preparation of financial statements of the Economic Entity and the Company that give a true and fair view in accordance with MFRSs, IFRSs 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 Economic Entity and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Economic Entity and of the Company, the Directors are responsible for assessing the Economic Entity's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Economic Entity 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 Economic Entity 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 ISAs 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
LANDASAN LUMAYAN SDN. BHD. (continued)  
(Incorporated in Malaysia)**

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Economic Entity and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Economic Entity's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Economic Entity'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 Economic Entity 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 Economic Entity and the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Economic Entity and of the Company; including the disclosures, and whether the financial statements of the Economic Entity and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
LANDASAN LUMAYAN SDN. BHD. (continued)  
(Incorporated in Malaysia)**

**Other Matters**

This report is made solely to the member 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.

**BDO PLT**

**BDO PLT**  
LLP0018825-LCA & AF 0206  
Chartered Accountants

Kuala Lumpur  
17 June 2022

A handwritten signature in black ink, appearing to read 'Lum Chiew Mun'.

**Lum Chiew Mun**  
03039/04/2023 J  
Chartered Accountant

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Note	Economic Entity 2021 RM	Company 2021 RM	2020 RM
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	1,721,361	1,721,361	2,818,662
Intangible asset	5	-	-	6,938,690
Right-of-use asset	6	766,548	766,548	16,275
Investment in an associate	7	445,834	450,000	-
		2,933,743	2,937,909	9,773,627
<b>Current assets</b>				
Other receivables	8	234,406	234,406	12,255,122
Cash and bank balances	9	3,440,139	3,440,139	761,030
		3,674,545	3,674,545	13,016,152
<b>Assets held for disposal</b>	10	28,480,447	28,480,447	-
<b>TOTAL ASSETS</b>		<u>35,088,735</u>	<u>35,092,901</u>	<u>22,789,779</u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owner of the Company</b>				
Share capital	11	1,000,000	1,000,000	1,000,000
Accumulated losses		(25,332,295)	(25,328,129)	(24,344,157)
<b>CAPITAL DEFICIENCY</b>		(24,332,295)	(24,328,129)	(23,344,157)
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Term loan	12	-	-	33,198,949
Government grant	13	1,639,414	1,639,414	1,639,414
Lease liability	6	544,008	544,008	-
Other payables	14	7,147,709	7,147,709	8,274,744
		9,331,131	9,331,131	43,113,107

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION (continued)**  
**AS AT 31 DECEMBER 2021**

		<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
	<b>Note</b>			
<b>Current liabilities</b>				
Lease liability	6	274,925	274,925	158,923
Other payables	14	2,141,759	2,141,759	2,861,906
		2,416,684	2,416,684	3,020,829
<b>Liabilities held for disposal</b>	10	47,673,215	47,673,215	-
<b>TOTAL LIABILITIES</b>		<u>59,421,030</u>	<u>59,421,030</u>	<u>46,133,936</u>
<b>TOTAL LIABILITIES, NET OF CAPITAL DEFICIENCY</b>		<u>35,088,735</u>	<u>35,092,901</u>	<u>22,789,779</u>

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

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

		<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
	<b>Note</b>			
Revenue		-	-	-
Direct cost	15	<u>(361,303)</u>	<u>(361,303)</u>	<u>(986,759)</u>
Gross loss		(361,303)	(361,303)	(986,759)
Other income	16	6,521,321	6,521,321	2,874,775
Employee benefits	19	(2,561,529)	(2,561,529)	(2,165,683)
Administrative expenses		(3,070,080)	(3,070,080)	(3,096,852)
Finance costs		<u>(1,512,381)</u>	<u>(1,512,381)</u>	<u>(988,526)</u>
Loss before tax	17	(983,972)	(983,972)	(4,363,045)
Share of result in an associate	7	<u>(4,166)</u>	<u>-</u>	<u>-</u>
Loss before income tax		(988,138)	(983,972)	(4,363,045)
Taxation	18	<u>-</u>	<u>-</u>	<u>-</u>
Loss for the financial year		(988,138)	(983,972)	(4,363,045)
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(988,138)</u>	<u>(983,972)</u>	<u>(4,363,045)</u>

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

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

<b>Economic Entity</b>	<b>Share capital RM</b>	<b>Accumulated losses RM</b>	<b>Capital Deficiency RM</b>
Balance as at 1 January 2021	1,000,000	(24,344,157)	(23,344,157)
Loss for the financial year	-	(988,138)	(988,138)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	-	(988,138)	(988,138)
Balance as at 31 December 2021	1,000,000	(25,332,295)	(24,332,295)
<b>Company</b>			
Balance as at 1 January 2020	1,000,000	(19,981,112)	(18,981,112)
Loss for the financial year	-	(4,363,045)	(4,363,045)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	-	(4,363,045)	(4,363,045)
Balance as at 31 December 2020	1,000,000	(24,344,157)	(23,344,157)
Loss for the financial year	-	(983,972)	(983,972)
Other comprehensive income, net of tax	-	-	-
Total comprehensive loss	-	(983,972)	(983,972)
Balance as at 31 December 2021	1,000,000	(25,328,129)	(24,328,129)

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

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Economic Entity 2021 RM	Company 2021 RM	2020 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before tax		(988,138)	(983,972)	(4,363,045)
Adjustments for:				
Depreciation of property, plant and equipment		1,427,613	1,427,613	1,323,666
Depreciation of right-of-use asset		61,366	61,366	48,826
Gain on reassessment and modification of lease liabilities		(85,334)	(85,334)	-
Interest expense		1,512,381	1,512,381	988,526
Share of result in an associate		4,166		
Changes on remeasurement of amount due to ultimate holding corporation		-	-	(98,426)
Government grant recognised as income	16	(6,176,387)	(6,176,387)	(2,657,149)
Written off of property, plant and equipment		125,317	125,317	
Operating loss before working capital changes		(4,119,016)	(4,119,016)	(4,757,602)
Increase in other receivable		(6,713,346)	(6,713,346)	(8,366,401)
(Decrease)/Increase in other payables		(369,202)	(369,202)	1,389,053
Net cash used in operating activities		(11,201,564)	(11,201,564)	(11,734,950)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment		(455,629)	(455,629)	(897,934)
Additions of intangible asset		(2,807,695)	(2,807,695)	(3,208,422)
Net movement in amount due to related company		(350,945)	(350,945)	(625,289)
Net movement in amount due to ultimate holding corporation		41,292	41,292	1,290,255
Investment in an associate		(450,000)	(450,000)	-
Net cash used in investing activities		(4,022,977)	(4,022,977)	(3,441,390)



**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS (continued)**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Economic Entity 2021 RM	Company 2021 RM	2020 RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from government grant		6,176,387	6,176,387	4,296,563
Drawdown of term loan		11,801,051	11,801,051	9,482,499
Payment of interest expense		(7,493)	(7,493)	-
Payment of lease liabilities		(66,295)	(66,295)	-
Net cash from financing activities		<u>17,903,650</u>	<u>17,903,650</u>	<u>13,779,062</u>
Net decrease in cash and cash equivalents		2,679,109	2,679,109	(1,397,278)
Cash and cash equivalents at beginning of financial year		<u>761,030</u>	<u>761,030</u>	<u>2,158,308</u>
Cash and cash equivalents at end of financial year	9	<u><u>3,440,139</u></u>	<u><u>3,440,139</u></u>	<u><u>761,030</u></u>

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

**LANDASAN LUMAYAN SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**1. CORPORATE INFORMATION**

Landasan Lumayan Sdn. Bhd. ("the Company") is a private limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Company is located at Level 24, Bangunan Darul Ehsan, No. 3, Jalan Indah Seksyen 14, 40000 Shah Alam, Selangor Darul Ehsan.

The principal place of business of the Company is located at Level 18, Wisma Ehsan, Persiaran Dato Menteri, Seksyen 14, 40000 Shah Alam, Selangor.

The ultimate holding corporation is Menteri Besar Selangor (Pemerbadanan), a corporate body formed under Enactment No. 3 of the Menteri Besar Selangor (Incorporation), Enactment 1994.

The principal activity of the Company is general contractor and developer. There has been no significant change in the nature of this activity during the financial year.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

These financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 17 June 2022.

**2. BASIS OF PREPARATION**

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

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 3.1 to the financial statements.

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements and also on the basis of accounting principles applicable to a going concern.

## 2. BASIS OF PREPARATION (continued)

The Economic Entity and the Company incurred a loss of RM988,138 and RM983,972 respectively during the year ended 31 December 2021 and, as of that date, the Economic Entity and the Company had capital deficiency of RM24,332,295 and RM24,328,129 respectively. These conditions indicated the existence of a material uncertainty which may cast significant doubt about the Economic Entity and the Company's ability to continue as a going concern. The Economic Entity's and the Company's ability to continue as a going concern in the foreseeable future is therefore dependent on the Economic Entity's and the Company's ability to receive continuous financial support from its ultimate holding corporation to meet its obligations as and when they fall due.

The ultimate holding corporation, Menteri Besar Selangor (Pemerbadanan) has indicated its intention to provide continuous financial support to the Economic Entity and to the Company so as to enable the Economic Entity and the Company to meet its obligations as and when they fall due and to operate as a going concern in the foreseeable future.

In view of the foregoing, the Directors consider that it is appropriate to prepare the financial statements of the Economic Entity and the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Economic Entity and of the Company be not appropriate.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

## 3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

### 3.1 New MFRSs adopted during the financial year

The Economic Entity and the Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 <i>Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendment to MFRS 16 <i>Covid-19 Related Rent Concessions beyond 30 June 2021</i>	1 April 2021 (early adopted)

Adoption of the above Standards did not have any material effect on the financial performance or position of the Economic Entity and of the Company.

### 3. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)

#### 3.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendment to MFRS 17 <i>Insurance Contracts - Initial Application of MFRS 17 and MFRS 9-Comparative Information</i>	1 January 2023
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure Of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

The Economic Entity and the Company is in the process of assessing the impact of implementing these Amendments to Standards, since effects would only be observable for the future financial years.

### 4. PROPERTY, PLANT AND EQUIPMENT

Economic Entity and Company	Balance as at 1.1.2021 RM	Additions RM	Write off RM	Depreciation for the financial year RM	Balance as at 31.12.2021 RM
<b>Carrying amount</b>					
Computer equipment	63,773	20,162	-	(56,620)	27,315
Furniture and fittings	64,102	-	(24,460)	(8,065)	31,577
Office equipment	2,440	-	-	(303)	2,137
Renovation	116,506	435,467	(100,857)	(21,020)	430,096
Motor vehicle	149,784	-	-	(18,558)	131,226
Log boom	2,422,057	-	-	(1,323,047)	1,099,010
	<u>2,818,662</u>	<u>455,629</u>	<u>(125,317)</u>	<u>(1,427,613)</u>	<u>1,721,361</u>

4. PROPERTY, PLANT AND EQUIPMENT (continued)

	[----- At 31.12.2021 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	197,319	(170,004)	27,315
Furniture and fittings	43,993	(12,416)	31,577
Office equipment	3,032	(895)	2,137
Renovation	435,467	(5,371)	430,096
Motor vehicle	185,582	(54,356)	131,226
Log boom	3,969,142	(2,870,132)	1,099,010
	<u>4,834,535</u>	<u>(3,113,174)</u>	<u>1,721,361</u>

Company	Balance as at 1.1.2020 RM	Additions RM	Reclassification RM	Depreciation for the financial year RM	Balance as at 31.12.2020 RM
<b>Carrying amount</b>					
Computer equipment	122,825	-	-	(59,052)	63,773
Furniture and fittings	67,519	4,290	-	(7,707)	64,102
Office equipment	2,743	-	-	(303)	2,440
Renovation	132,156	-	-	(15,650)	116,506
Motor vehicle	168,342	-	-	(18,558)	149,784
Log boom	2,055,017	893,644	695,792	(1,222,396)	2,422,057
Construction work-in-progress	695,792	-	(695,792)	-	-
	<u>3,244,394</u>	<u>897,934</u>	<u>-</u>	<u>(1,323,666)</u>	<u>2,818,662</u>

	[----- At 31.12.2020 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	177,157	(113,384)	63,773
Furniture and fittings	80,646	(16,544)	64,102
Office equipment	3,032	(592)	2,440
Renovation	156,493	(39,987)	116,506
Motor vehicle	185,582	(35,798)	149,784
Log boom	3,969,142	(1,547,085)	2,422,057
	<u>4,572,052</u>	<u>(1,753,390)</u>	<u>2,818,662</u>

#### 4. PROPERTY, PLANT AND EQUIPMENT (continued)

All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period and annual rates used are as follows:

Computer equipment	3 years
Furniture and fittings	10%
Office equipment	10%
Renovation	10%
Motor vehicle	10%
Log boom	3 years

#### 5. INTANGIBLE ASSET

<b>Economic Entity and Company</b>		<b>Project development cost RM</b>
<b>Carrying amount</b>	<b>Note</b>	
Balance as at 1 January 2021		6,938,690
Additions		2,807,695
Reclassification to asset held for disposal	10	(9,746,385)
Balance as at 31 December 2021		-

<b>Company</b>	<b>Project development cost RM</b>
<b>Carrying amount</b>	
Balance as at 1 January 2020	3,730,268
Additions	3,208,422
Balance as at 31 December 2020	6,938,690

	[----- At 31.12.2020 -----]		
	<b>Cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying amount RM</b>
Project development cost	6,938,690	-	6,938,690

- Intangible asset was initially measured at cost. After initial recognition, intangible asset is carried at cost less accumulated amortisation and any accumulated impairment losses.
- In the previous financial year, project development cost include expenditure attributable to river rehabilitation along Klang river. The cost was not amortised as the development has not completed as at the end of reporting period.
- During the financial year, the Company has reclassified the intangible asset to assets held for disposal amounted to RM9,746,385 as disclosed in Note 10 to the financial statements.

## 6. LEASES

### The Economic Entity and the Company as a lessee

#### Right-of-use asset

Economic Entity and Company	Balance as at 1.1.2021 RM	Additions	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount				
Building	16,275	811,639	(61,366)	766,548

#### Right-of-use asset

Company	Balance as at 1.1.2020 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount			
Building	65,101	(48,826)	16,275

**6. LEASES**

**The Economic Entity and the Company as a lessee (continued)**

**Lease liability**

<b>Economic Entity and Company</b>	<b>Balance as at 1.1.2021 RM</b>	<b>Additions RM</b>	<b>Reassessment and modification RM</b>	<b>Payment of lease liabilities RM</b>	<b>Payment of lease interest RM</b>	<b>Accretion of interest expense RM</b>	<b>Balance as at 31.12.2021 RM</b>
<b>Carrying amount</b>							
Building	158,923	811,639	(85,334)	(66,295)	(7,493)	7,493	818,933

**Lease liability**

<b>Company</b>	<b>Balance as at 1.1.2020 RM</b>	<b>Accretion of interest RM</b>	<b>Balance as at 31.12.2020 RM</b>
<b>Carrying amount</b>			
Building	156,461	2,462	158,923

**Represented by:**

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Current liability	274,925	274,925	158,923
Non-current liability	544,008	544,008	-
	<u>818,933</u>	<u>818,933</u>	<u>158,923</u>



## 6. LEASES (continued)

### The Economic Entity and the Company as a lessee (continued)

- (a) The right-of-use asset is initially measured at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use asset is stated at cost less accumulated depreciation and accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated on a straight-line basis over the earlier of the estimated useful lives of the right-of-use asset or the end of the lease term. The lease terms of right-of-use asset is as follows:

Building 36 months

- (b) The Economic Entity and the Company has certain leases of office equipment which are considered as low-value leases of RM20,000 and below. The Economic Entity and the Company applies the "lease of low-value assets" exemption for these leases.
- (c) The following are the amounts recognised in profit or loss:

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Depreciation charge of right-of-use asset (included in administrative expenses)	61,366	61,366	48,826
Interest expense on lease liability (included in finance costs)	7,493	7,493	2,462
Expense relating to low-value leases (included in administrative expenses)	9,960	9,960	11,425
Gain on lease modifications	85,334	85,334	-
	<u>164,153</u>	<u>164,153</u>	<u>62,713</u>

- (d) The table below summarises the maturity profile of the lease liability of the Economic Entity and the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows:

	<b>On demand or within one (1) year RM</b>	<b>One (1) to five (5) years RM</b>	<b>Over five (5) years RM</b>	<b>Total RM</b>
<b>31 December 2021</b>				
Lease liability	312,270	572,495	-	884,765

## 6. LEASES (continued)

### The Company as a lessee (continued)

- (d) The table below summarises the maturity profile of the lease liability of the Economic Entity and the Company at the end of the reporting period based on contractual undiscounted repayment obligations as follows: (continued)

31 December 2020	On demand or within one (1) year RM	One (1) to five (5) years RM	Over five (5) years RM	Total RM
Lease liability	159,122	-	-	159,122

- (e) The exposure of interest rate risk in lease liability of the Economic Entity and the Company is not significant and therefore sensitivity analysis is not presented.

## 7. INVESTMENT IN ASSOCIATES

	Economic Entity 2021 RM	Company 2021 RM	2020 RM
Unquoted shares, at cost	450,000	450,000	-
Share of post-acquisition reserves	(4,166)	-	-
	<u>445,834</u>	<u>450,000</u>	<u>-</u>

- (a) Investments in associate are measured at cost less impairment losses, if any, in the separate financial statements of the Company and accounted for using the equity method in the Economic Entity financial statements.
- (b) Details of the associate are as follows:

Name of company	Country of incorporation	Effective interest		Principal activities
		2021 %	2020 %	
Landasan Lumayan Berjaya Sdn. Bhd. *	Malaysia	45	N/A	River cleaning and property development

\* Not audited by BDO PLT or BDO member firms.

The most recent available financial statements of the associate are used by the Company in applying the equity method. The Economic Entity's share of results of associate is based on the audited financial statements made up to 30 June 2021 and unaudited financial statements made up to 31 December 2021.

**7. INVESTMENT IN ASSOCIATES (continued)**

(c) Summarised financial information of the associate is as follows:

	<b>2021 RM</b>
<b>Assets and liabilities</b>	
Current assets	<u>1,053,490</u>
Current liabilities	<u>62,747</u>
Net assets	<u>990,743</u>
<b>Results</b>	<b>2021 RM</b>
Revenue	-
Loss for the financial year	(9,257)
Total comprehensive loss	<u>(9,257)</u>
Cash flows from operating activities	53,492
Cash flows used in investing activities	(203,000)
Cash flows used in financing activities	<u>999,998</u>
Net increase in cash and cash equivalents	<u>850,490</u>

(d) The reconciliation of net assets of the associate to the carrying amount of investment in an associate is as follows:

	<b>2021</b>
Share of net asset/Carrying amount in the statements of financial position	<u>445,834</u>
<b>Share of results of the associate</b>	
Share of loss of the associate	(4,166)
Share of other comprehensive income of the associate	<u>-</u>
Share of total comprehensive loss of the associate	<u>(4,166)</u>

## 8. OTHER RECEIVABLES

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Other receivables	76,673	76,673	12,203,022
Deposit	156,190	156,190	52,100
<b>Total receivables</b>	<b>232,863</b>	<b>232,863</b>	<b>12,255,122</b>
Prepayment	1,543	1,543	-
	<u>234,406</u>	<u>234,406</u>	<u>12,255,122</u>

- (a) Total receivables are classified as financial assets measured at amortised cost using effective interest method.
- (b) Other receivables are denominated in RM.
- (c) Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. The Company defined significant increase in credit risk based on past due information, i.e. overdue amounts. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.
- (d) No expected credit loss is recognised arising from other receivables as it is negligible.
- (e) During the financial year, the Company has reclassified the receivables in relation to Pengkalan Batu Urban Park and Mangrove Point amounted to RM8,771,768 and RM9,962,294 respectively from other receivables to assets held for disposal as disclosed in Note 10 to the financial statements.

## 9. CASH AND BANK BALANCES

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Cash and bank balances	3,440,139	3,440,139	761,030

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) No expected credit losses were recognised arising from cash and bank balances because the probability of default by the financial institution was negligible.
- (c) Cash and bank balances are denominated in RM.

# 10. ASSETS/(LIABILITIES) HELD FOR DISPOSAL

On 27 January 2021, the Company had entered into Subscription and Shareholders' Agreement ("SSA") with Berjaya Land Berhad ("BLB") to undertake the construction of affordable homes as well as river cleaning through a special purpose vehicle company, Landasan Lumayan Berjaya Sdn. Bhd. ("LLBSB"). The Company and BLB hold 45% and 55% of equity interest of LLBSB respectively.

Subsequent to the completion of the above acquisition, LLBSB will enter into Novation Agreement ("NA") with Selangor State Government ("SSG") to novate as follow:

- (i) State loan with the principal sum of up to RM45 million;
- (ii) Interest on state loan at 4%;
- (iii) River Cleaning Initiatives (included in intangible assets);
- (iv) Pangkalan Batu Urban Park (included in other receivables); and
- (v) Mangrove Point(included in other receivables).

The NA has yet to be completed as at the date of this report. The Directors of the Economic Entity and the Company are of the opinion that it is highly probable for the NA to be completed in the financial year ending 31 December 2022.

Accordingly, the assets and liabilities in relation to the NA of the Economic Entity and the Company are classified as assets/(liabilities) held for disposal.

- (a) The assets and associated liabilities held for disposal as at 31 December 2021 are as follows:

<b>Economic Entity and Company</b>	<b>Note</b>	<b>2021 RM</b>
<b>Assets held for disposal</b>		
Intangible assets	5	9,746,385
Other receivables	8	<u>18,734,062</u>
		<u>28,480,447</u>
<b>Liabilities associated with assets held for disposal</b>		
Term loan	12	45,000,000
Other payables	14	<u>2,673,215</u>
		<u>47,673,215</u>

## 11. SHARE CAPITAL

	Economic Entity and Company 2021		Company 2020	
	Number of ordinary shares	RM	Number of ordinary shares	RM
<b>Issued and fully paid</b>				
As at 1 January/31 December	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The owner of the Company is entitled to receive dividends as and when declared by the Company and is entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

## 12. TERM LOAN

	Economic Entity 2021		Company 2021		Company 2020	
	RM		RM		RM	
<b>Unsecured term loan</b>						
Non-current	-		-		<u>33,198,949</u>	

- (a) Term loan was classified as financial liabilities measured at amortised cost.
- (b) On 17 August 2017, the Company had entered into a Loan Facility Agreement with Selangor State Government in respect of a loan facility of RM45,000,000. The salient terms of the facility were as follows:

Facility amount:	RM45,000,000
Interest:	Fixed 4% p.a
Purpose:	For the implementation of Klang River Cleaning, Rehabilitation and Redevelopment Project
Loan disbursement:	Based on actual claim endorsed by Company
Repayment tenure:	The facility amount to be repayable over five (5) years beginning on 31 July 2022 until 31 July 2026

## 12. TERM LOAN (continued)

- (c) Financial instruments that were not carried at fair values and whose carrying amount were reasonable approximation of fair values were as follows:

	2021		2020	
	Carrying amount RM	Fair value RM	Carrying amount RM	Fair value RM
Term loan	-	-	33,198,949	31,533,587

The fair value of term loan was estimated by discounting future contracted cash flows at the current market interest rate available to the Company for similar financial instruments.

The fair value of term loan was categorised as level 2 in the fair value hierarchy. There was no transfer between levels in the hierarchy during the financial year.

- (d) The weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the term loan of the Company that were exposed to interest rate risk was summarised in the table below:

	Weighted average effective interest rate per annum %	Within one (1) year RM	More than one (1) to five (5) years RM	More than five (5) years RM	Total RM
31 December 2020					
<b>Fixed rate</b>					
Term loan	4.00	-	33,198,949	-	33,198,949

There was no sensitivity analysis as it was a fixed rate instrument and was not affected by changes in interest rates.

- (e) The table below summarises the maturity profile of the term loan of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	Within one (1) year RM	More than one (1) to five (5) years RM	More than five (5) years RM	Total RM
31 December 2020	-	39,838,739	-	39,838,739

- (f) Term loan was denominated in RM.
- (g) During the financial year, the Company has reclassified the term loan to liabilities held for disposal amounted to RM45,000,000 as disclosed in Note 10 to the financial statements.

### 13. GOVERNMENT GRANT

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
<b>Non-current</b>			
Government grant	<u>1,639,414</u>	<u>1,639,414</u>	<u>1,639,414</u>

(a) In the previous financial year, the Company had received grant amounting to RM1,639,414 in respect of financing the operational cost of the Company. The grant was approved under Unit Perancang Ekonomi Selangor. The scope of activity for the grant disbursement is purchases of services for river cleaning.

(b) The reconciliation of movements in the government grant is as follows:

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
As at 1 January	1,639,414	1,639,414	-
Add: Received during the financial year	6,176,387	6,176,387	4,296,563
Less: Recognised as income during the financial year (Note 16)	<u>(6,176,387)</u>	<u>(6,176,387)</u>	<u>(2,657,149)</u>
As at 31 December	<u>1,639,414</u>	<u>1,639,414</u>	<u>1,639,414</u>

### 14. OTHER PAYABLES

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
<b>Non-current</b>			
Amount due to ultimate holding corporation	7,147,709	7,147,709	6,832,466
Accrual	-	-	1,442,278
	7,147,709	7,147,709	8,274,744
<b>Current</b>			
Other payables	1,315,868	1,315,868	1,704,780
Accruals	671,584	671,584	651,874
Amount due to related company	154,307	154,307	505,252
	<u>2,141,759</u>	<u>2,141,759</u>	<u>2,861,906</u>
<b>Total other payables</b>	<u>9,289,468</u>	<u>9,289,468</u>	<u>11,136,650</u>



#### 14. OTHER PAYABLES (continued)

- (a) Other payables are classified as financial liabilities measured at amortised cost.
- (b) Amount owing to ultimate holding corporation represents advances and payments made on behalf, which are unsecured, interest-free and payable in 2022 in cash and cash equivalents.
- (c) Amount due to related company represents non-trade in nature, which is non-interest bearing and the credit terms granted to the Company is 30 days (2020: 30 days).
- (d) The table below summarises the maturity profile of other payables of the Company at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

	Within one (1) year RM	One (1) to five (5) years RM	More than five (5) years RM	Total RM
<b>31 December 2021</b>	2,141,759	7,432,618	-	9,574,377
<b>31 December 2020</b>	2,861,906	8,833,604	-	11,695,510

- (e) Other payables are denominated in RM.
- (f) During the financial year, the Company has reclassified accrued interest on term loan from non-current other payables to liabilities held for disposal amounted to RM2,673,215 as disclosed in Note 10 to the financial statements.

#### 15. DIRECT COST

	Economic Entity 2021 RM	Company 2021 RM	Company 2020 RM
Construction of Grand Bazaar	12,342	12,342	375,810
Professional fees	208,584	208,584	403,267
Other direct costs	140,377	140,377	207,682
	<u>361,303</u>	<u>361,303</u>	<u>986,759</u>

## 16. OTHER INCOME

		<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
	<b>Note</b>			
Sales of tender document		8,000	8,000	19,200
Government grant	13	6,176,387	6,176,387	2,657,149
Other income		251,600	251,600	2,757,149
Changes on remeasurement of amount due to ultimate holding corporation		-	-	98,426
Gain on reassessment and modification of lease liabilities	6	85,334	85,334	-
		<u>6,521,321</u>	<u>6,521,321</u>	<u>2,874,775</u>

## 17. LOSS BEFORE TAXATION

Other than those disclosed elsewhere in the financial statements, the loss before taxation is arrived at after charging:

		<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Audit fee				
- Current year		15,000	15,000	10,000
- Prior year		-	-	720
Interest on:				
- Accretion of interest on amount due to ultimate holding corporation		273,951	273,951	217,022
- Lease liability		7,493	7,493	2,462
- Term loan		1,230,937	1,230,937	769,042
Professional fee		<u>574,313</u>	<u>574,313</u>	<u>595,000</u>

## 18. TAXATION

- (a) There is no tax expense for the current and previous financial years as the Company does not have any taxable profit.
- (b) Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profit for the fiscal year.

# 18. TAXATION (continued)

- (c) Numerical reconciliation between the tax expense and the product of accounting loss multiplied by the applicable tax rate of the Company are as follows:

	Economic Entity 2021 RM	Company 2021 RM	2020 RM
Loss before taxation	<u>(988,138)</u>	<u>(983,972)</u>	<u>(4,363,045)</u>
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	(237,153)	(236,153)	(1,047,131)
Tax effects in respect of:			
Non-taxable income	(20,480)	(20,480)	(23,622)
Non-allowable expenses	433,055	432,055	281,682
Utilisation of unrecognised deferred tax	(175,422)	(175,422)	-
Deferred tax assets not recognised	<u>-</u>	<u>-</u>	<u>789,071</u>
	<u>-</u>	<u>-</u>	<u>-</u>

- (d) The temporary difference for which no deferred tax assets have been recognised in the statement of financial positions are as follows:

	Economic Entity 2021 RM	Company 2021 RM	2020 RM
Property, plant and equipment	(84,328)	(84,328)	(768,378)
Right-of-use asset	211,511	211,511	142,648
Unutilised tax losses			
-Expires by 31 December 2025	9,446,161	9,446,161	11,532,868
-Expires by 31 December 2026	5,920,679	5,920,679	5,920,679
-Expires by 31 December 2027	1,512,792	1,512,792	1,512,792
Unabsorbed capital allowance	<u>2,958,297</u>	<u>2,958,297</u>	<u>2,355,429</u>
	<u>19,965,112</u>	<u>19,965,112</u>	<u>20,696,038</u>

Deferred tax assets of the Economic Entity and Company have not been recognised in respect of these items as it is not probable that sufficient taxable profits of the Economic Entity and the Company would be available against which the deductible temporary differences could be utilised. The amount and availability of these items to be carried forward are subject to the agreement of the respective local tax authorities.

With effect from 1 January 2022, any unused tax losses shall be deductible for a maximum period of ten (10) consecutive years of assessment immediately following that year of assessment. Any amount which is not deducted at the end of the period of ten (10) years of assessment shall be disregarded.

## 19. EMPLOYEE BENEFITS

	<b>Economic Entity 2021 RM</b>	<b>Company 2021 RM</b>	<b>2020 RM</b>
Salaries, allowances and bonuses	1,991,176	1,991,176	1,499,295
Contributions to defined contribution plan	294,396	294,396	283,243
Social security contributions	12,363	12,363	10,942
Other employee benefits	263,594	263,594	372,203
	<u>2,561,529</u>	<u>2,561,529</u>	<u>2,165,683</u>

Included in the employee benefits are Executive Directors' remuneration as disclosed in Note 20(c) to the financial statements.

## 20. RELATED PARTY DISCLOSURES

### (a) Identities of related parties

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

Related parties of the Company include:

- (i) Menteri Besar Selangor (Pemerbadanan), the ultimate holding corporation;
- (ii) Direct and indirect subsidiaries and associates of the ultimate holding corporation; and
- (iii) Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Company.

### (b) The Company had the following transactions with related party during the financial year:

	<b>2021 RM</b>	<b>2020 RM</b>
<b>Transactions with a related company:</b>		
River cleaning	2,807,695	2,102,676
Construction of log boom	<u>-</u>	<u>98,576</u>

The related party transactions described above were carried out on terms and conditions not materially different from those obtainable from transactions with unrelated parties.

Information regarding outstanding balances arising from related party transactions as at 31 December 2021 is disclosed in Note 14 to the financial statements.

## 20. RELATED PARTY DISCLOSURES (continued)

### (c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of the Company.

The remuneration of Executive Director during the financial year were as follows:

	2021 RM	2020 RM
<b>Executive Director:</b>		
Salaries, allowances and bonuses	424,746	450,410
Contributions to defined contribution plan	63,719	64,668
Social security contributions	923	1,000
	<u>489,388</u>	<u>516,078</u>

## 21. CAPITAL MANAGEMENT AND FINANCIAL RISK INSTRUMENTS

### (a) Capital management

The primary objective of the capital management of the Company is to ensure the Company would be able to continue as going concern whilst maximising return to shareholder through the optimisation of the debt and equity ratios. The overall strategy of the Company remains unchanged from that in the previous financial year.

The capital structure of the Company is represented by the equity of the Company and capital ratio is determined by the ultimate holding corporation. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020 respectively.

The Company is not subject to any externally imposed capital requirements.

### (b) Financial risk management

The financial risk management objective of the Company is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from the unpredictability of the financial markets.

The exposure to these risks arises in the normal course of the business of the Company. The overall business strategies of the Company outlines its tolerance to risk and its general risk management philosophy and is determined by the management in accordance with prevailing economic and operating conditions.

## **21. CAPITAL MANAGEMENT AND FINANCIAL RISK INSTRUMENTS (continued)**

### **(b) Financial risk management**

The Company is exposed mainly credit risk, interest rate risk and liquidity and cash flow risk. Information on the management of the related exposures are detailed below.

#### **(i) Credit risk**

Cash deposits may give rise to credit risk, which requires the loss to be recognised if a counter party fails to perform as contracted. The counter party is a licensed financial institution. It is the policy of the Company to monitor the financial standing of this counter party on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

##### Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

##### Credit concentration profile

At the end of reporting period, the Company does not have any significant concentration of credit risk to any individual customer or counter party nor does it have any major concentration of credit account related to any financial instruments, other than other receivables.

#### **(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Company will fluctuate because of changes in market interest rates. The exposure to market risk of the Company for changes in interest rates relates primarily to the lease liability and term loan of the Company.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Note 6 and Note 12 to the financial statements respectively.

#### **(iii) Liquidity risk**

Liquidity risk is the risk that the Company is unable to service its cash obligations in future. To mitigate this risk, the management monitors and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Company.

The analysis of financial instruments by remaining contractual maturities has been disclosed in Note 6, Note 12 and Note 14 to the financial statements respectively.

**22. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

- (a) The COVID-19 pandemic, which started in 2020, remained an international concern as the number of COVID-19 cases continued to increase with the appearance of various variants of concern. As a result, the Movement Control Order ("MCO") initially imposed by the Government of Malaysia had subsequently entered into various phases of the MCO, followed by the announcement of the National Recovery Plan ("NRP") in June 2021, which details a roadmap to control the COVID-19 pandemic while progressively reopening society and the economic sectors towards the new normal under four progressive phases. In March 2022, the Government of Malaysia announced that the country will enter into the "Transition to Endemic" phase starting 1 April 2022, which includes the opening of national borders for tourism and the abolishment of limitation capacity and operating hours of business premises.

The Company will continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

Based on the assessment of the Company, the judgements and assumptions used in the preparation of the financial statements for the financial year ended 31 December 2021 have not been impacted significantly by the COVID-19 pandemic. The Company will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Company for the financial year ending 31 December 2022.

- (b) Termination of Development Agreement ("DA I") between the Company and Tanahmas Impian Sdn. Bhd.

On 17 September 2020, the Company had entered into Development Agreement ("DA I") with Tanahmas Impian Sdn. Bhd. ("TanahMas"), a wholly owned subsidiary of Pancar Tulin Sdn. Bhd. which in turn is a wholly owned subsidiary of Lion Corporation Berhad, to develop thirty two point three one (32.1) acres of land located in Section 24, Shah Alam, Selangor.

Subsequently, both parties were unable to fulfil the conditions precedent stipulated in the DA I which resulting the agreement to be terminated.

- (c) New Development Agreement ("DA II") between the Company and Lion Waterfront Sdn. Bhd.

On 18 May 2022, the Company had entered into a new Development Agreement ("DA II") with Lion Waterfront Sdn. Bhd. ("Lion"), a wholly owned subsidiary of Lion Posim Berhad to develop approximately twenty six point two nine (26.29) acres of land located in Section 24, Shah Alam, Selangor.

The Company is entitled to receive the higher of twenty per cent (20%) of the profit before tax of the Development and minimum payment of RM42,600,000 ("Agreed Value") in 6 instalments. Upon execution of this agreement, Lion has paid sum of RM3,000,000 to the Company which is part of the agreed value.

As at 31 December 2021, the conditions precedent stipulated in the DA II remain unfulfilled.