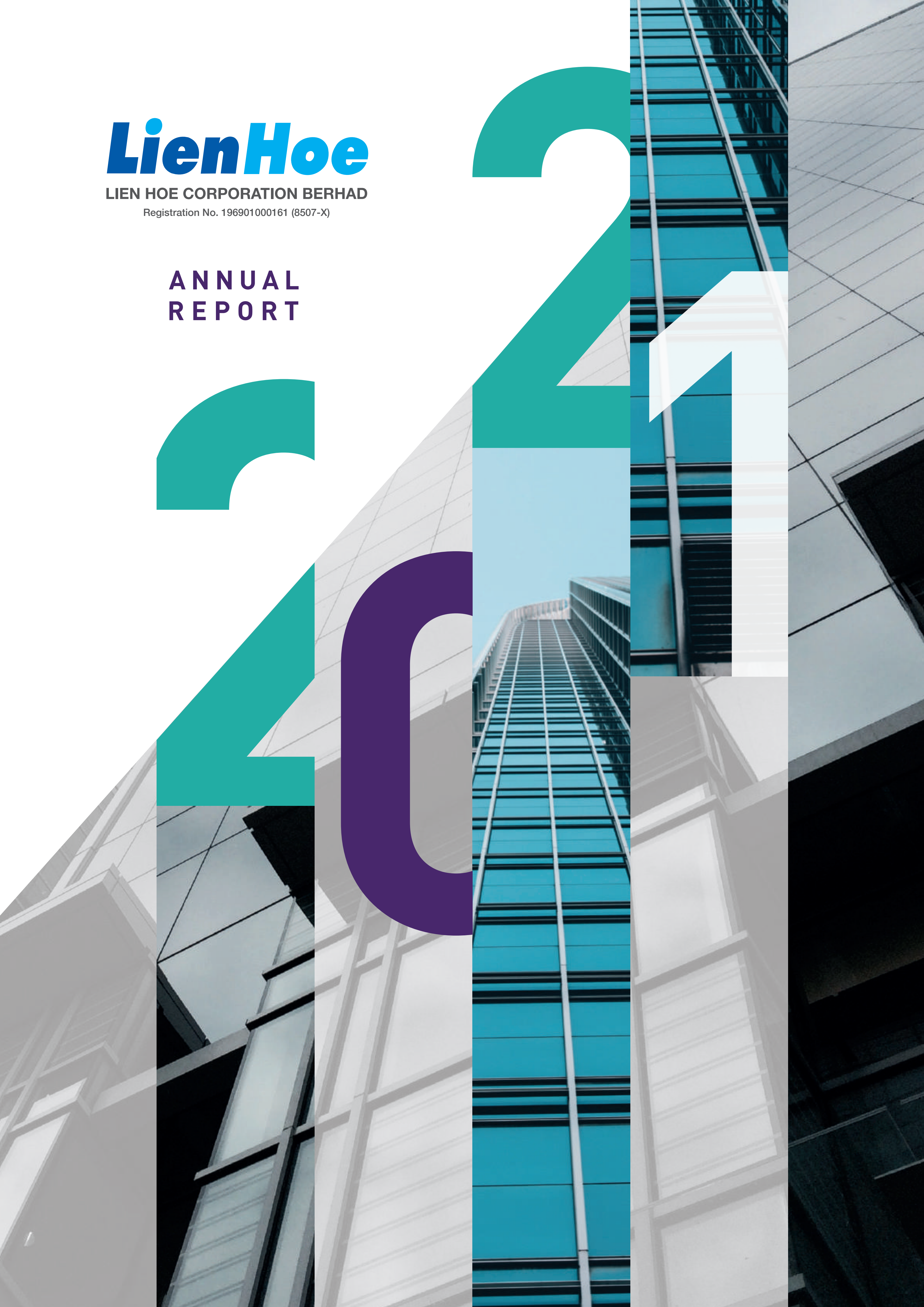
LIEN HOE CORPORATION BERHAD

Registration No. 196901000161 (8507-X)

ANNUAL REPORT

2021



CONTENTS

CORPORATE INFORMATION

DIRECTORS

Mr. Yeoh Chong Keat
Chairman, Independent Non-executive Director

Dato' Yap Sing Hock
Managing Director

Ms. Yap Tse Yeeng Christine
Executive Director and Chief Executive Officer

Mr. Cheong Marn Seng, Allen
Executive Director

Dr. Teoh Kim Loon
Independent Non-executive Director

Dato' Tea Choo Keng
Independent Non-executive Director

SECRETARIES

Tan Fong Shian @ Lim Fong Shian
(MAICSA 7023187)

Liew Chak Hooi
(MAICSA 7055965)

REGISTERED OFFICE

3rd Floor, Plaza Armada
Lot 6, Lorong Utara C
Section 52
46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7955 8808
Fax : 03-7955 5808

AUDITORS

UHY
Firm Number: AF 1411
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : 03-2279 3088
Fax : 03-2279 3099

PRINCIPAL FINANCIAL INSTITUTIONS

CIMB Bank Berhad
Malayan Banking Berhad
OCBC Al-Amin Bank Berhad
RHB Bank Berhad
Bangkok Bank Berhad

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222

STOCK EXCHANGE LISTING

The Main Market of Bursa Malaysia
Securities Berhad

NOTICE IS HEREBY GIVEN THAT the 52nd Annual General Meeting of the members of Lien Hoe Corporation Berhad will be held at Iskandar II, Level 3A, Block 1, Hotel Jen Puteri Harbour, Johor, Persiaran Puteri Selatan, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim on Friday, 17 June 2022 at 10.30 a.m. or at any adjournment thereof for the purpose of transacting the following business:-

AS ORDINARY BUSINESS

1. To lay the Audited Financial Statements of the Company for the financial year ended 31 December 2021 together with the Directors' and Auditors' Reports thereon. *(Please refer to Explanatory Note 1)*

2. To approve Directors' fees and benefits of up to RM303,000 in respect of the period from 18 June 2022 until the conclusion of the next Annual General Meeting of the Company. *(Resolution 1)*

3. To re-elect the following Directors retiring pursuant to Clause 109 of the Company's Constitution:-

    (i) Ms. Yap Tse Yeeng Christine *(Resolution 2)*
    (ii) Mr. Cheong Marn Seng *(Resolution 3)*

4. To re-appoint Messrs UHY as Auditors of the Company, to hold office until the conclusion of the next Annual General Meeting of the Company and to authorise the Directors to determine their remuneration. *(Resolution 4)*

AS SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modification(s), the following resolutions:-

5. ORDINARY RESOLUTION 1
AUTHORITY FOR DIRECTORS TO ISSUE SHARES

"THAT subject to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of any other relevant authorities, the Directors of the Company be and are hereby authorised to issue and allot 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 at the time of issue AND THAT the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." *(Resolution 5)*

6. ORDINARY RESOLUTION 2
PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK

"THAT subject to the Companies Act 2016, provisions of the Constitution of the Company and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and approvals of any other relevant authorities, the Directors of the Company be and are hereby authorised to make purchases of ordinary shares of the Company through Bursa Malaysia Securities Berhad ("Proposed Share Buy-Back"), provided that:-

(i) the maximum number of ordinary shares purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company;

(ii) the total maximum amount of funds to be utilised for the Proposed Share Buy-Back shall not exceed the aggregate of retained profits of the Company based on its audited financial statements for the financial year ended 31 December 2021; and

(iii) upon completion of the purchase(s) of its shares by the Company, the shares shall be dealt with in the following manner:-

(a) to cancel the shares so purchased; or

(b) to retain the shares so purchased as treasury shares; or

(c) to retain part of the shares so purchased as treasury shares and cancel the remainder.

AND THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company at which time it will lapse, unless the authority is renewed by a resolution passed at a general meeting, either unconditionally or subject to conditions;

(b) the expiry of the period within which the next Annual General Meeting is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

whichever so occurs first, but not to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date, and in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things and to execute, sign and deliver all such documents and/or agreements as they may deem necessary or expedient in the best interest of the Company and with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities to give effect to and to complete the aforesaid Proposed Share Buy-Back." *(Resolution 6)*

7. ORDINARY RESOLUTION 3
RETENTION OF MR. YEOH CHONG KEAT AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT in accordance with the Malaysian Code on Corporate Governance, Mr. Yeoh Chong Keat be retained as Independent Non-executive Director of the Company." *(Resolution 7)*

8. ORDINARY RESOLUTION 4
RETENTION OF DR. TEOH KIM LOON AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT in accordance with the Malaysian Code on Corporate Governance, Dr. Teoh Kim Loon be retained as Independent Non-executive Director of the Company." *(Resolution 8)*

9. ORDINARY RESOLUTION 5
RETENTION OF DATO' TEA CHOO KENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR

"THAT in accordance with the Malaysian Code on Corporate Governance, Dato' Tea Choo Keng be retained as Independent Non-executive Director of the Company." *(Resolution 9)*

10. To transact any other business of the Company for which due notice shall have been given.

BY ORDER OF THE BOARD

TAN FONG SHIAN (SSM PC No. 201908004045) (MAICSA 7023187)
LIEW CHAK HOOI (SSM PC No. 201908004042) (MAICSA 7055965)
Secretaries

Petaling Jaya
28 April 2022

NOTES:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member appoints more than one proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

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.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. Pursuant to paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice of Annual General Meeting will be conducted by poll.

5. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 June 2022 ("Record of Depositors") and only a depositor whose name appears on the Record of Depositors shall be entitled to attend at this meeting.

6. The form of proxy must be deposited at the Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than 48 hours before the time stipulated for holding of this meeting or any adjournment thereof.

7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

EXPLANATORY NOTES:-

1. AUDITED FINANCIAL STATEMENTS

This agenda item is meant for discussion only as the provisions of Section 340 (1)(a) of the Companies Act 2016 does not require the shareholders' approval for the Audited Financial Statements. As such, this item is not put forward for voting.

2. RE-ELECTION OF DIRECTORS

The profiles of the Directors seeking for re-election are set out in the Profile of Directors section of the Company's Annual Report 2021. In accordance with Clause 109 of the Company's Constitution, an election of Directors shall take place every year. One-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Both Ms. Yap Tse Yeeng Christine (Executive Director and Chief Executive Officer) ("Ms. Yap") and Mr. Cheong Marn Seng (Executive Director) ("Mr. Cheong"), being eligible, have offered themselves for re-election.

The Nomination Committee and the Board had considered and were satisfied with the management and contribution of Ms. Yap and Mr. Cheong. The Board recommends the re-election of both Ms. Yap and Mr. Cheong.

3. RESOLUTION 5 - AUTHORITY FOR DIRECTORS TO ISSUE SHARES

Please refer to Statement Accompanying Notice of Annual General Meeting for the explanatory notes on Resolution 5.

4. RESOLUTION 6 - PROPOSED RENEWAL OF SHAREHOLDERS' APPROVAL FOR SHARE BUY-BACK

This resolution is proposed for the purpose of empowering the Company to purchase its own shares of a number which, when aggregated with the existing treasury shares, does not exceed 10% of its total number of issued shares. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. For further information on the Proposed Share Buy-Back, please refer to the Statement to Shareholders dated 28 April 2022.

5. RESOLUTION 7 - RETENTION OF MR. YEOH CHONG KEAT AS INDEPENDENT NON-EXECUTIVE DIRECTOR
RESOLUTION 8 - RETENTION OF DR. TEOH KIM LOON AS INDEPENDENT NON-EXECUTIVE DIRECTOR
RESOLUTION 9 - RETENTION OF DATO' TEA CHOO KENG AS INDEPENDENT NON-EXECUTIVE DIRECTOR

These resolutions are proposed to enable Mr. Yeoh Chong Keat, Dr. Teoh Kim Loon and Dato' Tea Choo Keng to be retained as Independent Non-executive Directors of the Company. Mr. Yeoh Chong Keat, Dr. Teoh Kim Loon and Dato' Tea Choo Keng have each served the Company as Independent Non-executive Director for cumulative terms of more than 9 years. The Board of Directors of the Company has recommended that they should be retained as Independent Non-executive Directors based on the following consideration:-

(i) They have confirmed and declared that they are independent directors as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad;

(ii) They do not have any conflict of interest with the Company and have not been entering/are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and

(iii) The Board of Directors is of the opinion that they are important independent directors of the Board with incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their roles as independent directors during their tenure.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Resolution 5 is a renewed general mandate for issue of shares and empowering the Directors of the Company to issue new shares in the Company up to an aggregate amount of not exceeding 20% of the total number of issued shares of the Company ("20% General Mandate") for such purpose as they consider would be in the interest of the Company. This 20% General Mandate may be utilised by the Company until 31 December 2022 and thereafter the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the covid-19 pandemic and the future financial needs of the Group, the Board is of the opinion that the 20% General Mandate is in the best interest of the Company and its shareholders. With this renewed general mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investments, working capital and/or acquisitions. This will avoid any delay and cost involved in convening a general meeting to approve such issue of shares. The general mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last Annual General Meeting held on 18 June 2021.

PROFILE OF DIRECTORS

Mr. Yeoh Chong Keat
Chairman, Independent Non-executive Director **64 years of age / Male / Malaysian**

Yeoh Chong Keat was appointed to the Board of the Company on 6 December 2001 and as Chairman of the Board on 16 September 2009. He is also the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and the Remuneration Committee.

He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Chartered Tax Institute of Malaysia, a Chartered Accountant of the Malaysian Institute of Accountants and a Member of the Malaysian Institute of Certified Public Accountants.

Yeoh Chong Keat trained and qualified as a Chartered Accountant with Deloitte Haskins & Sells, Birmingham, United Kingdom (now part of PwC network) and was formerly the head of a leading corporate services firm for over 10 years before founding Archer Corporate Services Sdn Bhd which provides corporate secretarial and advisory services to private and public listed companies. He is the President/CEO of Archer Corporate Services Sdn Bhd.

He has accumulated a wealth of experience in audit, tax, financial and management consulting and corporate secretarial work with "Big Four" firms in the United Kingdom and Malaysia. He is a director of Advancecon Holdings Berhad and AbleGroup Berhad, which are both listed on the Main Market of Bursa Malaysia Securities Berhad.

He has had no convictions for any offences within the past 5 years (other than traffic offences), nor has there been any public sanction or penalty imposed by regulatory bodies during the financial year.

Yeoh Chong Keat does not have family relationship with any Director and/or major shareholder of the Company. To-date, there has not been any occurrence of conflict of interest with the Company, nor any conflict of interest in any business arrangement involving the Company.

Dato' Yap Sing Hock
Managing Director **73 years of age / Male / Malaysian**

He was appointed the Managing Director of the Company on 30 January 2002.

He started his career as a building contractor before venturing into property development in the Klang Valley and Johor Bahru. He has also been active in real estate investment in Hong Kong and Singapore.

He is not a director of any other public companies and other listed issuers.

He is the father of Ms. Yap Tse Yeeng Christine, the Executive Director and Chief Executive Officer of the Company.

He has no conflict of interests with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Ms. Yap Tse Yeeng Christine
Executive Director and Chief Executive Officer **43 years of age / Female / Malaysian**

She was appointed a Non-Independent Non-executive Director of the Company on 18 March 2016, re-designated as an Executive Director on 17 June 2016 and subsequently re-designated as Executive Director and Chief Executive Officer on 8 June 2018.

She graduated with a Bachelor of Laws degree from University of Exeter, United Kingdom and was called to the bar of England and Wales in 2010. She also holds a Master of Laws (specialising in banking and finance law) from the Queen Mary University of London, United Kingdom and a Master of Business Administration in general management from Edhec Business School, France.

She practiced as a barrister at Holborn Chambers in London for several years prior to moving to Hong Kong where she served as the Corporate Legal Advisor at the Lai Sun Group, which comprises 5 listed companies on the Hong Kong Stock Exchange.

She is not a director of any other public companies and other listed issuers.

She is the daughter of Dato' Yap Sing Hock, the Managing Director and a major shareholder of the Company.

She has no conflict of interests with the Company.

She has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Mr. Cheong Marn Seng, Allen
Executive Director **57 years of age / Male / Malaysian**

He was appointed to the Board of the Company on 28 December 2001.

He holds a Bachelor of Commerce degree in economics and finance from The University of Melbourne, Australia and is a Chartered Accountant of the Malaysian Institute of Accountants. He has wide experience and knowledge in corporate finance, after working in the corporate finance department of an investment bank for 8 years in senior management position. Prior to his stint in the investment banking industry, he was attached to two international accounting firms for several years in the audit and financial services division.

He is also an independent non-executive director of AbleGroup Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interests with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Dr. Teoh Kim Loon
Independent Non-executive Director **68 years of age / Male / Malaysian**

He was appointed to the Board of the Company on 7 July 2004. He is also the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

He graduated in medicine with a degree in MBBS from University of Malaya in 1979. He started his own general practice in 1983. In 1999, he was appointed an independent non-executive director of Pharmaniaga Berhad, a company listed on the second board of Bursa Malaysia Securities Berhad. He resigned as a director from Pharmaniaga Berhad in 2001 and assumed the post of Director/ Chief Executive of TDMC Hospital Sdn Bhd which owns a 128-bed private hospital in Kuala Lumpur. He resigned from TDMC Hospital Sdn Bhd on 31 July 2011.

He is also a founder member of Korporatif Doctor Malaysia, a life member of Malaysian Medical Association and a member of the American Board of Independent Medical Examiner.

He is not a director of any other public companies and other listed issuers.

He has no family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interests with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Dato' Tea Choo Keng
Independent Non-executive Director **54 years of age / Male / Malaysian**

He was appointed to the Board of the Company on 22 August 2011. He is also the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

He graduated with a law degree (LL.B Hons) from the University of Hull (United Kingdom) in 1991. He was called to the bar and admitted as advocate and solicitor in 1993. He set up his own legal practice under the name of Messrs Tea & Company in year 1994. He is currently the partner of a legal firm, Messrs Tea, Kelvin Kang & Co.

He is an independent non-executive director of Power Root Berhad and Cheetah Holdings Berhad, which are both listed on the Main Market of Bursa Malaysia Securities Berhad.

He has no family relationship with any Director and/or major shareholder of the Company.

He has no conflict of interests with the Company.

He has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NUMBER OF BOARD MEETINGS ATTENDED BY THE DIRECTORS

The number of board meetings attended by the Directors in the financial year ended 31 December 2021 are set out in the Corporate Governance Overview Statement on page 28 of this Annual Report.

Mr. Hoon Tai Chee
General Manager, Hotel Armada (PJ) Sdn Bhd **60 years of age / Male / Malaysian**

He was appointed the General Manager of Hotel Armada (PJ) Sdn Bhd, a wholly owned subsidiary company, on 1 August 2007.

He holds a Diploma from the London Chamber of Commerce & Industry.

He has over 30 years experience in the hotel industry, having been involved in various aspects from hotel administration to operations.

Ms. Wong Ngoke Meng
Group Financial Controller **62 years of age / Female / Malaysian**

She was appointed the Group Financial Controller of Lien Hoe Corporation Berhad on 1 October 2007.

She is a Fellow of the Association of Chartered Certified Accountants.

She has more than 25 years working experience in the field of accounting and corporate finance.

Mr. Loh Giap Tik
Senior Finance and Administration Manager,
Christine Resort Sdn Bhd **71 years of age / Male / Malaysian**

He was appointed the Senior Finance and Administration Manager of Christine Resort Sdn Bhd, a wholly owned subsidiary company, on 1 July 2010.

He holds a Bachelor of Science (Honours) degree majoring in accounting from the University of Wales Institute of Science and Technology, United Kingdom.

He has over 10 years experience in the banking industry and more than 20 years working experience in the property industry.

OTHER DISCLOSURE BY THE KEY SENIOR MANAGEMENT

None of the key senior management has:-

(i) any directorship in public companies and listed issuers;

(ii) any family relationship with any Director and/or major shareholder of the Company;

(iii) any conflict of interests with the Company;

(iv) any convictions for any offences (other than traffic offences, if any), within the past 5 years; and

(v) any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BUSINESS OVERVIEW

The Company is an investment holding company and through its subsidiary companies ("the Group" together with the Company) operate in 3 business segments: hotel service, property investment and property development.

The hotel segment continued to be the core business activity of the Group in the financial year 2021, contributed more than two-thirds of the Group's total gross revenue. The hotel segment consists of Hotel Armada, a 4-star business and tourist class hotel located in the heart of Petaling Jaya along the Federal Highway in Selangor. The hotel, which is owned and managed by us, has an inventory of 257 guestrooms, one grand ballroom, nine function rooms, three event suites, a gym, an all-day dining restaurant, a café and a bar. It is a venue that caters for accommodation, conferences, events, dining and entertainment needs of its guests.

The property investment segment is made up of the leasing and car-parking of the 4-storey commercial complex known as Plaza Armada which forms part of the podium of Hotel Armada. It has 95,916 square feet of net lettable space, of which 20,000 square feet is being occupied as our corporate office. The property presently enjoys an occupancy level of 80%.

The property development segment owns several parcels of land in Johor Bahru. Strategically located with good connectivity, these lands are in various stages of development planning, the details of which are as follows:-

Title particulars	Size (acres)	Land use	Status of development planning
Lot PTD 239921, Mukim of Plentong, Johor	5.00	Commercial building	Preliminary planning
Lot PTD 239922, Mukim of Plentong, Johor	8.00	Commercial building	Preliminary planning
Lot PTD 239924, Mukim of Plentong, Johor	8.00	Commercial building	Preliminary planning
Lot PTD 239923, Mukim of Plentong, Johor	9.00	Commercial building	Development order and building plan approval obtained
Lot PTD 239934, Mukim of Plentong, Johor	30.62	Golf course	Preliminary planning
Lots PTD 61083-61344, PTD 76869-76870 Mukim of Senai-Kulai, Johor	33.38	Residential	Preparation of application for amalgamation of titles
Lots 1589 & 1592, Mukim of Tebrau, Johor	4.14	Commercial building	Preliminary planning

FINANCIAL RESULTS

Year 2021, likes the year before, was dominated by the covid-19 pandemic which has caused devastating impact on all business sectors and every aspect of economic and social life. The sectors in which our businesses operate continued to be ravaged by the pandemic-related business restrictions and public health measures imposed in the first nine months of the year. Businesses gradually returned to some form of normalcy when these restrictions and measures were relaxed from October onwards.

For the financial year ended 31 December 2021, the Group's total revenue was RM9.28 million, down 18.3% from RM11.36 million in the prior year. By segment, this revenue breaks down into RM6.50 million from hotel service and RM2.78 million from property investment. The performance in 2021 was weighed down by the weaker contribution from the hotel segment as the business level of our hotel continued to be hampered by the fallout from the pandemic.

In tandem with the lower revenue, gross profit in 2021 fell marginally to RM5.03 million from RM5.18 million in previous year on higher profit margin from active cost management. Amid the lower gross profit, the Group sustained a net loss of RM85.19 million in 2021 after recognising impairment loss on goodwill of RM8.93 million and write-off of property development cost of RM53.62 million. The one-off RM8.93 million goodwill impairment charge is recognised in view of the prolonged impact of the pandemic on the near-term business prospects of two operating subsidiaries. The one-off RM53.62 million property development cost written off is in line with the completion of the disposal of 69.03 acres of land in Bandar Seri Alam, Johor during the year. This property development cost consists mostly of expenses incurred for land clearing, road construction, landscape and professional services. Excluding this impairment loss and write off, the net loss for 2021 would have been RM22.64 million, which is narrower than the net loss of RM25.91 million in previous year after adjusted for the write-off of property development cost of RM4.08 million.

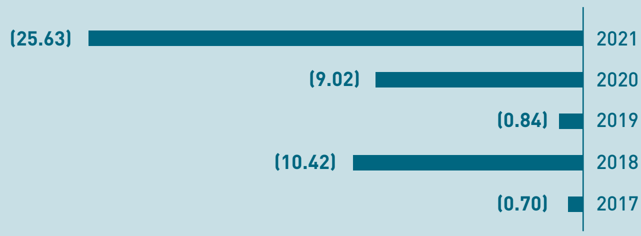
The Group ended the year with net assets amounted to RM298.15 million which represents RM0.90 per share of assets backing. The net loss incurred for the year had led to the decline in the Group's net assets from RM379.87 million at the beginning of the year to RM298.15 million at the end of the year. The values of these net assets are mostly supported by real properties and land at market value appraised by licensed valuers.

Total borrowings of the Group fell by RM12.92 million to RM40.94 million at the end of 2021 following the repayment of a loan facility towards the end of the year. The effect was partly offset by the increase in the outstanding amount of another loan facility caused by the moratorium of loan repayment and interest payment granted by the bank for the whole year. Based on the total equity of RM298.15 million at end of the year, the gearing of the Group stands at 0.14 times which is a fairly manageable level.

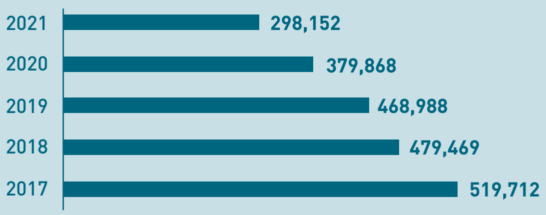
The financial highlights of the Group for the last 5 years are tabulated below:-

REVENUE (RM'000)

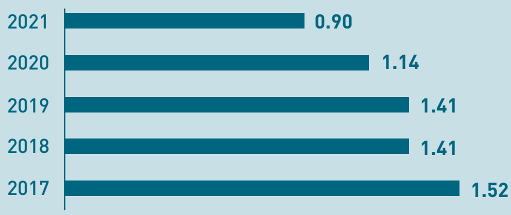
LOSS PER SHARE (SEN)



SHAREHOLDERS' EQUITY (RM'000)



NET ASSETS PER SHARE (RM)



HOTEL SEGMENT

The on-off lockdown and other public health measures employed by the government to contain the pandemic amid threat of virus resurgence and variants had led to our hotel operated at a limited capacity for the most part of the year. Consequently, revenue from the hotel segment worsened by 23.9% to RM6.50 million from RM8.54 million in last year.

Demand for rooms was sluggish amid total absence of foreign visitors and travellers due to the continued closure of our country's borders. This, combined with the interstate travel ban which was in place for the earlier months in 2021, weighed on our hotel's occupancy for the year which declined further to 20% from 24% in previous year. We only experienced a gradual uptick in the demand for rooms from the domestic market in the last quarter of the year following the re-opening of interstate borders, which resulted in a moderate recovery in occupancy and average room rate albeit they are well behind the pre-pandemic levels.

Equally devastating to our hotel's performance was the prohibition of indoor gathering and dining-in at restaurants for most part of 2021 which led to no revenue from meetings, events, restaurants and bar. Even as the restrictions were being eased from October 2021 onwards, limit on capacity for events and other constraints made the recovery of business volume far from optimal. Total sales from food and beverage operation for the year declined to RM3.53 million from RM4.73 million in previous year as the dismay sales performance during the lockdown period dragged down the whole year performance.

In response to the subdued business levels and difficult operating environment, we took active actions to further minimise cost and optimise our marketing strategies. These efforts led to the hotel segment registered higher operating profit of RM664,000 as compared to RM154,000 in previous year.

PROPERTY INVESTMENT SEGMENT

Revenue from the property investment segment in 2021, mostly consists of rent from leases, was RM2.78 million which is on par with the previous year's revenue of RM2.82 million as there was no change in the occupancy rate of the property. Rent rebates were extended in both years to provide relief to the tenants from business shutdowns during the nationwide lockdown.

PROPERTY DEVELOPMENT SEGMENT

The sale of the 69.03 acres of land in Bandar Seri Alam, Johor for RM88.67 million cash, the agreement of which was signed in year 2020, had been completed in the last quarter of 2021. Following the sale, we resolved that the Group will not undertake any development of the remaining land in Bandar Seri Alam in the near future after evaluating all the risk factors and the property market outlook in Johor Bahru.

RISKS AND PROSPECTS

In 2022, we are looking forward to a sustained recovery of our businesses following the resumption of economic activities in October 2021 and the reopening of our national borders in April 2022. We have positioned our hotel's operations to make the most of the expected rebound in all our markets. Last year we have set out the plan for our hotel to adapt to the future in a post pandemic world under the vision of more-experience driven services facilitated by digital technologies. The implementation of the plan was disrupted by the prolonged pandemic and hence it will be extended into the new financial year. We will forge ahead with the digital transformation of our operations through features such as web-based system, contactless technology, premium guest experience platform and other seamless personalised services. Additionally, more refined pricing strategy and attractive promotional packages for both rooms and food and beverage services will be deployed to create demand and maximise revenue opportunities.

Notwithstanding the prospects of a sustained business recovery, downside risk to the continued growth of our hotel business in the near term remains a challenge from factors such as rising costs, labour shortage and change of customer behaviour and expectation post pandemic. Focus and efforts will be channelled to mitigate these risks. Improving operational efficiencies and productivity through trainings and technologies will help to address labour shortage while stricter cost management and wider supplier network are some of the solutions to counter the risk of rising cost. We will be using a broader range of social media platforms for feedbacks and communication to identify and respond to the changing customer behaviour and expectation.

Besides the focus on the hotel segment, we will be actively pursuing opportunities to unlock the value of our land. We are also committed to a diversification strategy with the aim to expand the revenue base and income generating ability of the Group.

The Board of Directors ("the Board") of Lien Hoe Corporation Berhad continues to endeavour compliance with all the corporate governance principles and practices as proposed in the Malaysian Code on Corporate Governance ("the Code"). The following statement outlines the extent to which the principles and practices were applied throughout the financial year ended ("FYE") 31 December 2021.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

The Board presently consists of 6 members; comprising 3 Executive Directors and 3 Independent Non-executive Directors. Collectively the Board has a mix of industry-specific knowledge and technical skills which are necessary for the leadership and management of the Group. The composition of the Board is such that it provides an effective check and balance in the functioning of the Board and is reviewed from time to time to ensure its appropriateness.

At any one time, at least two or one-third whichever is higher, of the Board members are independent directors. There is balance in the Board represented by the presence of 3 Independent Non-executive Directors who will review and discuss the strategies proposed by the management to ensure that the long-term interests of minority shareholders are taken into consideration.

In accordance with the Company's Constitution, all directors appointed by the Board are subject to re-election by the shareholders at the annual general meeting following their appointment. At least one-third of the directors are required to retire from office by rotation. Eligibility for director re-election is subject to satisfactory findings from the assessment by the Nomination Committee and the Board, upon which such directors may be offered for re-election by the shareholders at the subsequent annual general meeting ("AGM").

The Board acknowledges that Section 205 of the Companies Act 2016 provides that the directors with the longest tenure since their most recent appointment shall retire and wishes to note its compliance by way of the retirement of Ms. Yap Tse Yeeng Christine and Mr. Cheong Marn Seng for re-election at the forthcoming AGM.

The role of the Chairman and the Managing Director are distinct and separate to ensure there is balance of power and authority. The roles of the Chairman and Managing Director are held by Mr. Yeoh Chong Keat and Dato' Yap Sing Hock respectively. The Chairman is responsible for the leadership, effectiveness, conduct and governance of the Board. He leads board meetings, encouraging and facilitating the discussion and integration of views from all members. The Chairman is also responsible to ensure that communication channels between the Board and stakeholders remain open, so that feedback from the internal and external environment (including performance reports from management) can be incorporated for Board consideration and discussion. The Chairman, as leader of the Board, should spearhead the establishment and implementation of ethical, prudent and professional behaviour within the Group, in line with good corporate governance practices.

The Managing Director, assisted by the Chief Executive Officer and management team has the overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions and assumes, among others, the following responsibilities:-

(i) Assist the Board in overseeing the day-to-day operations of the Group;

(ii) Ensure the implementation of all approved policies and procedures and formulating plans to achieve the Group's corporate objectives;

(iii) Select and appoint suitable candidates to the management team who will translate the Group's corporate objectives and policies into detailed business plans and implementation of those plans;

(iv) Ensure the implementation and effectiveness of internal controls, to monitor and safeguard the Group's financial and other resources; and

(v) Maintain a high level of employee effectiveness, ethics and morale.

The Managing Director, Executive Directors, Chief Executive Officer and management are accountable to the Board, and are expected to fulfil their responsibilities through the provision of reports, briefings and presentations on a regular basis throughout the year.

Separation of the positions of the Chairman and the Managing Director is defined in the Board Charter. The Board is overall and collectively responsible for the strategic direction and business performance of the Group and is responsible in promoting long term shareholder value, ensuring overall corporate governance, establishing goals for management, and monitoring the achievement of these goals and assume, among others, the following responsibilities:-

(i) Review and monitor the implementation of the strategic business plans by the management;

(ii) Align and approve the corporate objectives and policies of the Group;

(iii) Appoint and approve the terms of reference of the Audit and Risk Management Committee, Remuneration Committee and Nomination Committee;

(iv) Decide on the acceptable level of risk exposure for the Group;

(v) Review the Group's system of internal controls which include the establishment of an appropriate control environment framework for identifying, evaluating and managing significant risks faced by the Group;

(vi) Review and assess the Group's financial and operational performances of all operating units and subsidiaries through periodic feedback and reports from the Audit and Risk Management Committee and the management team;

(vii) Review and approve the announcement of quarterly and annual financial statements to ensure that the financial statements are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view;

(viii) Approve annual operating budget, major capital expenditures, material purchase and disposal of assets;

(ix) Appoint external auditors as well as determine audit fees, taking into consideration advice from the Audit and Risk Management Committee;

(x) Ensure succession planning is in place as part of business continuity and take cognisance that there should be a process of developing suitable programmes in place to ensure that operations at all levels are running smoothly;

(xi) Ensure the availability of communication channels for effective feedback and dialogue with stakeholders of the Group; and

(xii) Any other duties as may be appropriate.

The Independent Non-executive Directors will review and provide independent assessment and opinions on management proposals.

The Board Committees, namely Audit and Risk Management Committee, Nomination Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group's affairs, with authority to act on behalf of the Board in accordance with their respective terms of reference. The Chairman of the various Board Committees will report to the Board on key issues deliberated by the Board Committees at their respective meetings.

The Group has established a Code of Ethics and Conduct ("Internal Code") that is applicable to all its Directors and employees. The Internal Code sets out the principles and standards of business ethics and conduct of the Group and is applicable to all Directors and employees of the Group. The Internal Code contains provisions which encourage any employee who knows of or suspects a violation of the Internal Code to report their concerns to the Directors and that they will not be discriminated against or suffer any act of retaliation for reporting in good faith on violation or suspected violation of the Internal Code. Violation of the Internal Code can result in disciplinary action, which may include termination of employment. The Internal Code is available for reference in the Company's website at www.lienhoe.com.my.

A Whistle-Blowing Policy has also been established by the Board, to provide an avenue for the employees of the Group and members of the public to raise genuine concerns of any wrongdoing or improper conduct involving the Group and its Directors or employees, without fear of retaliation and to offer protection for the reporter who reports such allegations. The channel of reporting is through the Company's website at www.lienhoe.com.my. The report will be directly emailed to the Chairman of the Audit and Risk Management Committee and copied to the Managing Director of the Company.

The Company has established an Anti-Bribery and Anti-Corruption Policy, sets out the position of the Group on bribery in all its forms and matters of corruption that might confront the Group in its day-to-day operations, and provides information and guidance to Directors and employees of the Group to recognise and deal with bribery and corruption issues.

The Board promotes good corporate governance in the application of sustainability practices by ensuring the Group is committed to the environment, community, workplace and ethical marketplace. The Board believes that this will translate into better corporate performance.

The Board had been supplied with complete and timely information to enable it to discharge its responsibilities. Board agenda together with discussion papers are compiled and distributed to all the Directors at least 5 days prior to the Board meeting date to ensure that the Directors have sufficient time to review the agenda before deliberations. All Board members are responsible to ensure the minutes of meetings accurately reflect the deliberations and decisions of the Board. Upon conclusion of the meeting, the minutes are circulated in a timely manner for review.

The Board may seek advice from the management on issues under their purview and may interact directly with the management, or request further explanation, information or updates on any aspect of the Group's operations or business concern from them. The Board will invite management to attend Board or Board Committees meetings to report, update and provide an insight on areas of business within their responsibility to the Board. The Board may seek independent professional advice and information in the furtherance of their duties at the Company's expense, so as to ensure the Board is able to make independent and informed decisions.

The Board has access to advice and support services of qualified and competent Company Secretaries who advise the Board on its roles and responsibilities; facilitating the orientation of new Directors and Board communications; assisting in Directors' training and development; monitoring corporate governance developments and assisting the Board in applying governance practices to meet the Board's needs and stakeholders' expectations as well as serving as a focal point for stakeholders' communication and engagement on corporate governance issues.

Matters pertaining to statutory and regulatory compliance that affect the Group such as advising the Board on corporate disclosures and compliance with company and securities regulations and Main Market Listing Requirements ("Main LR") will be advised by the Company Secretaries. The Company Secretary(ies) also manages and attends all Board and Board Committees meetings, as well as general meetings, and ensures that meetings are convened according to necessary procedures, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly. The Board has developed and adopted a formal Board Charter to provide clear guidance on the roles, responsibilities, processes and operations of the Board. The document is provided as compulsory reading material for the induction of new Board members and senior management. The Board Charter is further supplemented by the terms of reference of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee which specify the composition, rights, key functions, roles and responsibilities of the respective committees.

The Board Charter defines the composition, the responsibilities of the Chairman and Managing Director, ensures that the Board may establish committees to assist in carrying out its duties and responsibilities, the procedures for convening Board meetings, investor relations and shareholders communication, access to information and independent advice and to ensure that the Code is observed by all the Directors and employees of the Group. The Board Charter is available for reference in the Company's website at www.lienhoe.com.my.

The Board Charter and the terms of reference of its committees are reviewed regularly to ensure they remain consistent with the Board's objectives, current law and best practices.

The following key responsibilities are not delegated by the Board, and are reserved solely for the Board's decision:-

(a) appointment of directors, Managing Director and other members of senior management;

(b) formulating and reviewing the Group's strategic plans, operating budgets, significant investments and capital expenditures in support of long-term value creation and sustainability;

(c) designing corporate policies with inherent risk management and internal control systems to ensure continuous risk evaluation process;

(d) appraising the internal and external environment of the Group to determine acceptable risk levels and ensuring that management team stays within the acceptable risk appetite in the Group's day-to-day operations; and

(e) reviewing and approving the Company's announcements to the public, including publishing of annual reports and financial results.

2. STRENGTHEN COMPOSITION

The Board has delegated specific responsibilities to other Board Committees. The details of each of the said committees are set out below:-

2.1 Audit and Risk Management Committee ("ARMC")

The ARMC consists exclusively of Independent and Non-executive Directors, and is made up of the following members:-

(1) Dato' Tea Choo Keng
Chairman, Independent Non-executive Director

(2) Mr. Yeoh Chong Keat
Independent Non-executive Director

(3) Dr. Teoh Kim Loon
Independent Non-executive Director

The Chairman of the ARMC and Chairman of the Board shall not be the same person due to their distinctive role where Chairman of the ARMC is responsible for ensuring the overall effectiveness and independence of the ARMC.

The Chairman of the ARMC together with other members of the ARMC should ensure among others that:-

(i) the ARMC is fully informed about significant matters related to the company's audit and its financial statements and addresses these matters;

(ii) the ARMC appropriately communicates its insights, views and concerns about relevant transactions and events to the internal and external auditors;

(iii) the ARMC appropriately communicates its concerns on matters that may have an effect on the financial or audit of the company to the external auditors; and

(iv) there is co-ordination between internal and external auditors.

All ARMC members have the essential skills and expertise to perform their duties and responsibilities.

The terms of reference of the ARMC is available for reference in the Company's website at www.lienhoe.com.my.

2.2 Nomination Committee ("NC")

The NC comprises the following Directors:-

(1) Mr. Yeoh Chong Keat
Chairman, Independent Non-executive Director

(2) Dr. Teoh Kim Loon
Independent Non-executive Director

(3) Dato' Tea Choo Keng
Independent Non-executive Director

The NC assumes the following responsibilities:-

(i) to recommend to the Board new candidate(s) for appointment and to recommend to the Board re-appointment/re-election of directors and to take steps to ensure that female candidates are sought as part of its recruitment exercise. In making a recommendation to the Board on the candidate(s) for directorship, the NC should consider the skills, knowledge, expertise, experience, professionalism and integrity of the candidate(s), and the current composition of the Board and the tenure of each Director on the Board. In the case of candidates for the position of independent non-executive directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities or functions as expected from independent non-executive directors;

(ii) to annually review, or as required, the correct mix of skills, business and professional experiences that should be added to the Board;

(iii) to appraise each individual Director in terms of his tenure, experience, knowledge, credibility and credential, integrity and commitments to the Board, and assess their effectiveness and contribution in carrying out their obligations and duties as a Board member;

(iv) to examine the ability of each Director in contributing to the effective decision-making process of the Board and ensure that the Board and Board Committees are functioning actively, efficiently and effectively in all its decision making;

(v) to assess the effectiveness of the Board as a whole and the Committees of the Board;

(vi) to annually review the term of office and performance of the ARMC;

(vii) to review the Board's succession plans;

(viii) to ensure orientation and educational programmes are provided for new members of the Board, and to review the directors' continuing education programmes; and

(ix) to carry out such other functions or assignments as may be delegated by the Board from time to time within the scope of the NC.

The nomination and election process of new Board member(s) are as follows:-

(i) reviews annual Board assessment and evaluation;

(ii) determine required mix of skills and experience of the current Board;

(iii) source for candidate(s), if necessary;

(iv) evaluate and match the criteria of the candidate(s); and

(v) recommends the candidate(s) to the Board for appointment.

The NC acknowledges the principle outlined in Practice 5.6 of the Code, and in the event that vacancies become available on the Board in future, it will broaden its recruitment efforts for new directors to include a wider range of sources, such as the Malaysian Alliance of Corporate Directors, independent recruitment agencies and job advertisements open to the public.

The terms of reference of the NC is also available for reference on the Company's website at www.lienhoe.com.my.

The NC has in place a formal evaluation process to assess the effectiveness of the Board as a whole, the Board Committees and the performance of each individual Director on an annual basis.

During the FYE 31 December 2021, the NC:-

(i) reviewed the Board's structure, size and composition, assessed and evaluated the effectiveness of each individual Director and the Board as a whole through Board evaluation forms and attendance records, assessed the effectiveness of the ARMC and reviewed the term of office of the ARMC through ARMC evaluation forms, assessed and evaluated the effectiveness of the NC and Remuneration Committee through the Nomination and Remuneration Committees evaluation forms, reviewed the Board's gender diversity, reviewed the re-election of Directors at forthcoming AGM through respective evaluation forms and attendance records, reviewed the independence of Independent Directors through Independent Directors' self-declaration of independence forms, noted the Board's succession plans and trainings attended by the Directors; and

(ii) recommended the NC Report to the Board for its approval.

With regards to the assessment during FYE 31 December 2021, the Board was satisfied upon completing its assessments that the Board had discharged its duties and responsibilities effectively. The Board also concluded that the Board composition in terms of size, mix of skills and balance between Executive, Non-executive and Independent Directors were satisfactory.

The Board will review the composition of the Board and the tenure of Directors annually and from time to time, if required, to ensure the Board continues to function effectively and in compliance with the regulatory requirements.

During the FYE 31 December 2021, the NC convened 1 meeting and the attendance of the meeting is set out below:-

NC Member	No. of meetings attended	Percentage
Mr. Yeoh Chong Keat	1/1	100%
Dr. Teoh Kim Loon	1/1	100%
Dato' Tea Choo Keng	1/1	100%

The Board recognises that diversity in Board composition is beneficial for effective discussion and weighing of management issues. The Board and NC strives, in the appointment and re-appointment/re-election of Board members, to maintain an optimal balance in terms of members' background, knowledge and expertise, as well as in terms of demographic indicators such as age, gender and ethnicity. Currently, there is 1 female member sitting on the Board, standing at 16.67% of the overall Board composition.

The Company recognises and embraces the benefits of having a diverse senior management, and sees increasing diversity at the senior management level as essential elements in maintaining competitive advantages and attainment of strategic objectives.

Selection of female candidates will be, in part, dependent on the pool of women candidates with the necessary skills, knowledge and experience. The ultimate decision to appoint female candidates will be based on merit and contribution that the chosen candidates will bring to the Board and the Company. Where suitable candidates are found in future, the Board and the Company may seek to increase representation from female members.

The Gender Diversity Policy of the Company is published on its website, www.lienhoe.com.my.

2.3 Remuneration Committee ("RC")

The RC comprises the following Directors:-

(1) Dr. Teoh Kim Loon
Chairman, Independent Non-executive Director

(2) Mr. Yeoh Chong Keat
Independent Non-executive Director

(3) Dato' Tea Choo Keng
Independent Non-executive Director

The RC consists exclusively of non-executive directors, drawing from outside advice as necessary. The Directors do not participate in the decisions on their own remuneration.

The RC assumes the following responsibilities:-

(i) to review and recommend to the Board the remuneration of the Directors of the Company as guided by the Remuneration Policy of the Company; and

(ii) to carry out such other functions or assignments as may be delegated by the Board from time to time in the area of directors and/or senior executive remuneration.

The Group's remuneration policy inter alia strives to maintain a strong linkage between performance and reward, at the same time to offer remuneration packages attractive enough to recruit and retain talent. The remuneration policy is available on the Company's website at www.lienhoe.com.my. The terms of reference of the RC is also available on the Company's website at www.lienhoe.com.my.

During the FYE 31 December 2021, the RC:-

(i) reviewed the Directors' remuneration;

(ii) recommended any proposals / changes to the Board for approval;

(iii) reviewed and recommended to the Board the proposed fees of Non-executive Directors based on their roles and responsibilities as independent directors and comparison of fees paid to non-executive directors in public listed company of similar size; and

(iv) recommended the RC Report to the Board for approval.

The remuneration of the Directors is formal and transparent and is disclosed individually and between executive and non-executive directors. While the RC reviews and recommends to the Board the remuneration of the Executive Directors of the Company, the remuneration packages of Non-executive Directors are a matter for the Board as a whole. Individual Directors abstain from deliberation and decision-making on their own remuneration package. Individual Directors who are shareholders abstain from voting at general meetings to approve their own fees.

During the FYE 31 December 2021, the RC met 1 time and the attendance of the meeting is set out below:-

RC Member	No. of meetings attended	Percentage
Dr. Teoh Kim Loon	1/1	100%
Mr. Yeoh Chong Keat	1/1	100%
Dato' Tea Choo Keng	1/1	100%

The remuneration of the Directors for FYE 31 December 2021 are as follows:-

Group

Directors	Fees	Salaries, Allowances, Defined Contribution Plan and Benefits in Kind	Total
	RM	RM	RM
Executive:			
Dato' Yap Sing Hock	-	3,108,000	3,108,000
Ms. Yap Tse Yeeng Christine	-	140,360	140,360
Mr. Cheong Marn Seng, Allen	-	435,120	435,120
	-	3,683,480	3,683,480
Non-executive:			
Mr. Yeoh Chong Keat	93,000	-	93,000
Dr. Teoh Kim Loon	75,000	-	75,000
Dato' Tea Choo Keng	75,000	-	75,000
	243,000	-	243,000

Company

Directors	Fees	Salaries, Allowances, Defined Contribution Plan and Benefits in Kind	Total
	RM	RM	RM
Executive:			
Dato' Yap Sing Hock	-	288,000	288,000
Ms. Yap Tse Yeeng Christine	-	140,360	140,360
Mr. Cheong Marn Seng, Allen	-	-	-
	-	428,360	428,360
Non-executive:			
Mr. Yeoh Chong Keat	93,000	-	93,000
Dr. Teoh Kim Loon	75,000	-	75,000
Dato' Tea Choo Keng	75,000	-	75,000
	243,000	-	243,000

The remuneration of senior management for FYE 31 December 2021 in bands of RM50,000 are as follows:-

Name of senior management	Range of remuneration RM
Mr. Hoon Tai Chee	100,001 – 150,000
Ms. Wong Ngoke Meng	150,001 – 200,000
Mr. Loh Giap Tik	150,001 – 200,000

3. REINFORCE INDEPENDENCE

The Board undertakes an annual assessment of the independence of its independent directors based on the criteria developed by the NC.

The tenure of an independent director is capped at 9 years, which can either be consecutive service or a cumulative service of 9 years with intervals. An independent director who has served the Company for 9 years may, in the interest of the Company, continue to serve the Company but in the capacity of a non-independent director. The Board must justify and seek shareholders' approval in the event it retains an independent director, a person who has served in that capacity for more than 9 years.

The Directors who have served the Board as Independent Non-executive Directors for more than 9 years are Mr. Yeoh Chong Keat, Dr. Teoh Kim Loon, and Dato' Tea Choo Keng. Their retention as Independent Non-executive Directors will be subject to shareholders' approval at the forthcoming AGM.

The Board has conducted an assessment of the independence of Mr. Yeoh Chong Keat, Dr. Teoh Kim Loon and Dato' Tea Choo Keng based on the following considerations:-

(i) They have confirmed and declared that they are independent directors as defined under Paragraph 1.01 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia");

(ii) They do not have any conflict of interest with the Company and have not been entering/ are not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies; and

(iii) The Board is of the opinion that they are important independent directors of the Board in view of their incumbent knowledge of the Company and the Group's activities and corporate history and have provided invaluable contributions to the Board in their roles as independent directors during their tenure,

and has accordingly recommended to the shareholders for their approval that they should be retained as Independent Non-executive Directors of the Company.

The positions of the Chairman and the Managing Director are held by different individuals. Their roles are distinct and separate so as to ensure balance of power and authority. The Chairman is an independent non-executive member of the Board.

4. FOSTER COMMITMENT

The Board expects members to commit to fulfil their responsibilities, which includes both attending board meetings and Continuing Education Programme ("CEP").

Incoming candidates will be clearly informed of time commitments and restrictions on accepting or holding other directorships by the NC prior to being nominated for Board consideration.

A total of 5 board meetings were conducted during the FYE 31 December 2021. The Board is satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities. This is evidenced by the attendance records of the Directors at the Board meetings held in the FYE 31 December 2021:-

Directors	No. of meetings attended	Percentage
Mr. Yeoh Chong Keat	5/5	100%
Dato' Yap Sing Hock	5/5	100%
Ms. Yap Tse Yeeng Christine	5/5	100%
Mr. Cheong Marn Seng, Allen	5/5	100%
Dr. Teoh Kim Loon	5/5	100%
Dato' Tea Choo Keng	4/5	80%

In addition, as disclosed in the Profile of Directors, none of the Directors hold more than 5 directorships in other public listed companies.

An annual meeting calendar, with scheduled dates for meetings of the Board, Board Committees and AGM is circulated to the Board members prior to beginning of each year to facilitate the Directors' time planning.

All Board members shall notify the Chairman of the Board and NC before accepting any new directorship in other companies, bearing in mind the maximum number of directorships allowed under the Main LR. The Chairman shall also notify the Board if he has any new directorship or significant commitments outside the Company.

The Board recognises that its members are expected to complete the CEP annually. The NC assesses the performance and existing knowledge of the Directors and recommends training programmes that best complement their capabilities, so that the overall Board composition is able to keep abreast on trends and matters related to the business and compliance matters of the Group.

Training programmes attended by the Director during the FYE 31 December 2021 are set out below:-

Director	Date	Title of training programme
Mr. Yeoh Chong Keat	19 July 2021	The Malaysian Code on Corporate Governance – Implications to the Company, its Directors & Management
	27 & 28 July 2021	National Tax Conference 2021
	24 August 2021	SSM National Conference 2021 on Governing Under New Normal

The Company also provided internal briefings to the Directors on key corporate governance developments and changes to the listing requirements, other laws and regulations. The External Auditors also briefed the Directors on any changes to the accounting standards that may affect the Group's financial statements from time to time during the ARMC meetings.

The Directors will continue to undergo other relevant training programmes and seminars to keep abreast with developments in the capital markets, relevant changes in rules and regulations and the business environment from time to time.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

The Board aims to provide a balanced and understandable assessment of the Company's financial position and prospects at the end of the financial year.

The Group publishes financial statements annually and quarterly results announcements as required under the Main LR.

The ARMC assists the Board by reviewing the disclosure information to ensure accuracy and adequacy and to ensure the financial statements comply with applicable accounting standards as this is integral to the reliability of the financial statements.

The members of the ARMC understand that it is their responsibility to ensure that the financial reports provide a true and fair view of the Company's financial position and performance, and as such they adopt a critical view to ensure accuracy, completeness, timeliness and relevance of the processes, transactions and assertions included in the financial reports. A full statement of the Board acknowledging its responsibility in the preparation of the Group's financial statements is provided on page 46 of this Annual Report. Activities carried out by the ARMC are set out in the ARMC Report.

In addition, the Company's internal auditors undertook independent assessment on the internal control system of the Group and would report to the ARMC any material issue which would pose a high risk to the overall internal control system under review.

The Company has always maintained a transparent and appropriate relationship with its auditors in seeking their professional advice and ensuring compliance with accounting standards in Malaysia.

The effectiveness, performance and independence of the external auditors is reviewed annually by the ARMC. The lead audit partner is required to rotate after a maximum of five years. If it becomes necessary to replace the external auditors for performance or independence reasons, the responsibility for the selection, appointment and removal of the external auditors has been delegated to the ARMC by the Board pursuant to the terms of reference of the ARMC.

During the FYE 31 December 2021, the ARMC has reviewed and verified the suitability and independence of the external auditors, and as such had on 19 April 2021 recommended the re-appointment of the current external auditors for the FYE 31 December 2021.

The ARMC has considered the provision of non-audit services by the external auditors during the financial year under review and concluded that the provision of these services did not compromise their independence and objectivity as the amount of the fees paid for these services were not significant when compared to the total audit fees paid of RM154,000 (2020: RM154,000). The non-audit fees incurred for services rendered to the Group by the external auditors and its affiliates for the FYE 31 December 2021 amounted to RM5,000 (2020: RM5,000).

The external auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

The ARMC had obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement. The ARMC's annual assessment to review the suitability of the external auditors for re-appointment is guided by the prescribed criteria in accordance with the Main LR. The non-audit fees paid or payable to the external auditors were in respect of their review of the Statement on Risk Management and Internal Control and did not compromise the external auditors' independence.

Further details on the ARMC's dealing with the external auditors are set out in the ARMC Report on pages 38 to 40 of this Annual Report.

6. RECOGNISE AND MANAGE RISKS

The risk management framework of the Group is overseen by the Risk Management Working Groups which ensure that an annual risk management process is carried out to identify, evaluate and manage significant risks of the business. A separate Risk Management Working Group has been established for the hotel division of the Group. The Working Group consists of key members of the management team and various departments within the division.

Findings from the process is compiled and tabled to the Board for review and evaluation. Items highlighted to the Board are disclosed in terms of severity, probability of risk occurring, effect of the risk should it occur, and actions currently being taken to mitigate or minimise the risk to acceptable level.

Details of the Company's internal controls and regulatory compliance are set out in the Statement on Risk Management and Internal Control on pages 41 to 44 of this Annual Report. It provides an overview of the Company's approach in maintaining a sound framework of reporting on internal controls and regulatory compliance to safeguard shareholders' investment and the Group's assets.

The internal audit function has been outsourced to an independent professional consulting firm, Sterling Business Alignment Consulting Sdn Bhd to provide independent assurance to the ARMC. Details of the Group's internal control system and framework are set out in the Statement on Risk Management and Internal Control on pages 41 to 44 of this Annual Report.

The internal auditors adopt a risk-based audit methodology as a basis to develop its audit plan which addresses the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommends possible improvements to the internal control process.

The internal auditors report to the ARMC on areas for possible improvement, and management's response to such recommendations. Follow-up audits are also carried out and the outcome are reported to the ARMC to ensure weaknesses identified have been or are being addressed.

The ARMC is responsible to ensure that the internal audit function is effective and able to function independently. The appointed internal audit firm and personnel are free from any relationships or conflicts of interest that could impair their objectivity and independence. The appointment and removal, role of internal auditor, scope of the internal audit function, performance evaluation and budget of internal audit are decided by the ARMC and is set out in the ARMC Report on pages 38 to 40 of this Annual Report.

7. ENSURE TIMELY AND HIGH-QUALITY DISCLOSURE

The Board acknowledges the need for shareholders to be informed of all material business matters affecting the Company. Annual reports, announcements and release of quarterly financial results are made electronically to the public via Bursa Malaysia's website at www.bursamalaysia.com as well as the Company's website at www.lienhoe.com.my. It provides the shareholders and the investing public with the necessary information about the Group's financial performance and operations.

8. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND STAKEHOLDERS

The Board is cognisant that effective and timely communication is essential in maintaining good relationship with stakeholder and cultivate trust and understanding between the Group and stakeholders. Other than investor relations function, engagement forums and briefings, the Group leverage on information technology to create ease of access and convenience in all communications for stakeholders.

Announcements and other corporate disclosures issued by the Company can be accessed via Bursa Malaysia's website (www.bursamalaysia.com) and also on the Company's website (www.lienhoe.com.my). Quarterly financial results and annual report are announced to Bursa Malaysia within 2 months after the end of each quarter of a financial year and within allowable time frame from the close of the financial year respectively, to give shareholders the most updated view of the Group's financial performance. Where corporate exercises are proposed for shareholders' approval, key documents including the Company's Constitution, recent audited financial statements, adviser reports, material contracts and cause papers in respect of material litigation, where applicable, are made available for inspection.

In addition, the address and phone number of the Group is clearly disclosed in the annual report, so that concerned shareholders may easily contact the office of the Company.

9. CONDUCT OF GENERAL MEETINGS

Annual general meeting is the main venue for dialogue with shareholders and stakeholders of the Company. The Chairman, Board Committees' Chairman, Managing Director, Executive Directors, Chief Executive Officer as well as the external auditors and professional advisors (where applicable) shall attend to respond to all questions raised at the meeting. Shareholders are encouraged to raise questions before matters on the agenda are put to a vote.

The Company despatches notice of annual general meeting at least 21 days prior to the day of the event, informing shareholders of the meeting agenda, shareholders' entitlement to appoint proxies and the procedures of doing so. The notice shall include details of the resolutions proposed along with any background information and reports or recommendations that are relevant.

10. COMPLIANCE STATEMENT

The Board believes that it has substantially complied with the principles and practices as set out in the Code and will continue to enhance compliance.

This Corporate Governance Overview Statement is approved by the Board on 14 April 2022.

The Corporate Governance Report is available on the Company's website at www.lienhoe.com.my.

INTRODUCTION

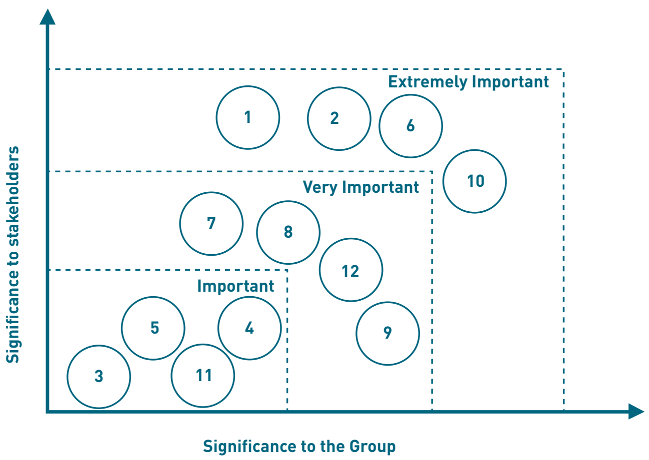
This sustainability statement provides an overview of the approaches, practices and progress made to address the sustainability commitments of Lien Hoe Corporation Berhad and its subsidiary companies ("the Group") for the period from 1 January 2021 to 31 December 2021.

We recognizes that long term value creation for the shareholders and other stakeholders of the Group is invariably dependent on a sound sustainability strategy by taking into consideration how our businesses operate in the ecological, social and economic environment. Our sustainability strategy has been carefully developed in ways that it will contribute to long term business growth and company longevity.

This statement is prepared in line with the Sustainability Reporting Guide issued by Bursa Malaysia Securities Berhad and the Malaysian Code on Corporate Governance of Securities Commission Malaysia. In developing this statement, we considered input not only from members of the management but also other key stakeholders, including customers, suppliers, industry associations and other voices where appropriate. As the hotel segment is the core business of the Group in the period covered, this statement focuses mainly on the hotel operation while other business operations are not included.

MATERIAL SUSTAINABILITY MATTERS

There has been slight adjustments to the materiality assessment that was developed in the previous financial year for the purpose of identifying sustainability matters that are significant to our hotel operation. In the matrix below, the most pressing sustainability matters have been mapped by ranking in terms of priority level to the stakeholders and to the Group.



Item	Sustainability Matters
1	Energy and emission
2	Water
3	Waste and effluent
4	Employee Welfare
5	Human rights
6	Safety and health
7	Anti-corruption
8	Workforce training and development
9	Product and services responsibility
10	Compliance
11	Communities
12	Supply chain

1. SUPPLY CHAIN

Supply chain management is an integral part of our business and crucial towards sustained competitive advantage. Accordingly, we place great emphasis on our sourcing practice to ensure speed, efficiency and quality.

Our hotel continues to support local businesses by prioritizing the procurement of goods and services from local suppliers and service providers. To this end, more than 90% of Hotel Armada's food & beverage supplies, linen, housekeeping supplies and other operational supplies are sourced from local producers and operators. We believe this will help to promote the local business community and create a strong and sustainable upstream industry. Wherever possible, we ensure that our suppliers conform to international best practice in product quality and safety, business integrity, labour standards and environmental protection.

2. ENVIRONMENTAL

2.1 Energy and emission

We are aware that energy and environmental problems are closely related, hence energy management is essential for combating climate change and for lowering our operation's environmental footprint.

In our commitment to the cutting of carbon footprint, we have made significant investment in initiatives to improve efficiency in the use of energy throughout our hotel and building. Our own studies and records confirmed that a great percentage of energy consumption by the hotel is attributable to the air-conditioning system and from which the water cooled chillers account for the bulk of the energy consumption. Therefore energy conservation in our air-conditioning system through efficiency and proper maintenance has been our main focus. This has been further boosted by the investment we have made in our water cooled chillers which are certified energy efficient products that meet the international environmental standards.

Other energy conservation efforts initiated or continued by us include:

(a) Light fitting replacement using LED bulbs.

(b) An energy saving schedule across key areas of the hotel to turn off lightings and air conditionings during non-peak hours of operations.

(c) Maintenance and replacement of electrical equipments and appliances with more energy efficient products.

2.2 Waste and effluent

Our local council and community are besieged with growing pressure of waste management. We are prepared to go the extra mile to minimize waste generation and increase recyclable. Various initiatives have been implemented in our hotel to significantly decrease waste, especially food waste, by encouraging our hotel guests and employees in having more conservative servings and to reduce excessive plate waste. To manage the fallout from the covid-19 pandemic, we reduced our buffet size and streamlined our buffet spread to significantly save on food waste. We also practice the safe disposal of kitchen wastes including used cooking oil which is being collected and sold to established service provider.

We are fully supportive of the call for the ditching of single-use plastics, which is detrimental to the environment. Our hotel has ceased serving drinks with plastic straws and in turn provides a 100% biodegradable alternative. Similarly, our hotel has been slowly replacing all takeout food packaging with eco-friendly packaging materials.

As further effort to go plastic-free, our hotel has taken step to cut down on serving water in plastic bottles in banquets, meetings and events. Refillable water pitchers are now used and water is refilled at the filtered water dispensers located around the facilities.

2.3 Water

Water is an increasingly valuable resource after enduring frequent water disruptions during the period covered. Having a stable water supply is crucial to our business operation, and hence water conservation is imperative.

Besides emphasizing water saving practices among our employees, the hotel has taken measures and adopted new technologies and equipments to reduce water usage, some of which include:

(a) Installing water-saving flush system in all guestroom water closets.

(b) Installing sub-meters throughout the building to monitor water consumption.

(c) Conducting checks and fixing water leakages immediately, where possible.

(d) Encouraging room guests to reuse their bed linens and towels.

3. SOCIAL

3.1 Employee Welfare

The success and long term sustainability of our business depends on the spirit, skill set, and diversity of our employees.

We have a workforce of 93 people in permanent full-time positions at the end of 2021. 40% of the workforce was female, of which 51% holding managerial positions and 19% in supervisory positions. We provide to our employees a staff handbook in which we set out the standards required of our employees in upholding our vision, core values and overall culture. It also defines acceptable behavior and social norms that our employees should adopt on a day-to-day basis.

We are committed to contributing to the welfare of each of our employees. To enhance our employees' quality of life, we have established a set of objectives such as:

(a) Create a great working environment by instilling a sense of belonging and community through various welfare services and benefits;

(b) Develop an open and engaged workforce through effective communication; and

(c) Provide equal employment opportunities along with training and career progression opportunities to help employees enriching their skills and reaching their full potential.

In response to the on-going covid-19 pandemic, we prioritize the safety and health of our employees by having a heightened health, safety and disinfection protocols. At the same time, we dealt with the business fallout from the pandemic which demanded significant cost saving actions by making necessary adjustments to the leave and pay policy. In this respect, we are highly appreciative of the dedication and sacrifices of every one of our employees in these unprecedented and extraordinary circumstances.

Additionally, we have facilitated our employees to be vaccinated against covid-19 by assisting with the appointments and given time off. Through this effort, we have achieved a vaccination rate of 100% among our employees.

3.2 Workforce Training and Development

We are committed to investing in employee training and development. Our training program is guided by our policy on employee development, and we regularly review existing training program to ensure that it aligns with our business requirements. Annually, we allocate a portion of our budget to employee training and development. In 2021, our training program was again hindered by the social distancing and other public health measures due to the covid-19 pandemic. It is our aim to continue with our employee training and development initiatives once normalcy returns.

3.3 Human Rights

All our employees receive equal treatment based on their relevant merits and competency regardless of gender, race, caste, nationality, religion, age, physical condition, sexual orientation, marital status, employment status or political affiliation. Any form of discrimination based on factors aforementioned is disallowed.

3.4 Workplace Safety and Health

The safety and health of our employees and hotel guests is of the utmost importance to us. The covid-19 pandemic has posed a health risk to our workforce and guests. To ensure an appropriate health, safety and hygienic conditions and environment, we have in place a set of standard operating procedures in accordance with the guidelines advocated by the local health authorities for the prevention of covid-19 outspread. Preventive measures and other practices were also adopted in our event and restaurant operations to protect the hotel guests and employees.

Food safety together with a safe dining experience has been a top priority in our operations, and more than ever since the outbreak of the covid-19 pandemic. The procedures for our food preparation and storage have been based on the principles of HACCP (Hazard Analysis and Critical Control Point) and other relevant local certifications. Every restaurant and kitchens are under strict control by the HACCP Food Safety Management System, which includes monitoring food preparation hygiene and sanitisation as well as maintaining the correct food temperature. Our employees have gone through certified HACCP training and have taken necessary health injections as a precautionary measure. In addition, liquefied petroleum gas tanks used in our central kitchen are stored underground to minimise safety hazards. All cleaning chemicals are used with safe work practices in our hotel. Our suppliers are required to furnish us with the Chemical Safety Data Sheet in accordance to chemical regulations.

A strong health and safety culture would create a more productive team that enhances our operations and assures our customers the peace of mind when enjoying our services and facilities. It is our objective to educate our employees in health and safety management by incorporating the basic principles into all appropriate duties. Wherever possible, information on legislation and standards applicable to their duties will be included. We undertake to continually review and develop our safety management practices, with the aim of conducting our activities in manner which does not affect the health and safety of any employees, hotel guests and visitors.

During the year, there was no reported incident of non-compliance with regulations concerning health and safety, and no occupational accidents or injuries were reported.

3.5 Anti-corruption

The combination of sound corporate governance and ethical business conduct are fundamental to the achievement of our objectives to grow our business sustainably and enhance stakeholders' value. We therefore strive to uphold our reputation for integrity in every sphere of our operations. It is our policy to conduct business in a fair, honest and transparent way. We strongly oppose and have a "zero tolerance" approach towards corrupt practices or acts of bribery to obtain an unfair advantage.

Any incidents of bribery, corruption, unethical behavior, malpractices, illegal acts and other unlawful or improper conduct can be reported by our employees and business partners through our whistleblowing channel. By protecting the confidentiality of whistleblowers, we encourage whistleblowing to be done without fear of reprisal or victimisation should it be done in good faith. To this end, we have adopted a Whistleblowing Policy which is disseminated to all the employees. The Whistleblowing Policy can be accessed at the Company's website (www.lienhoe.com.my).

During the year, there was no incidents of corruptions and no penalty or non-monetary sanctions for non-compliance with laws and regulations.

3.6 Product and Services Responsibility

Customer satisfaction and meeting customer demand for our products and services are the cornerstones of our operations. To achieve that, we have invested resources on setting up feedback channels via emails, reviews, surveys and online websites. These customer feedbacks and opinion are timely analysed, shared and acted upon by the respective departments of our hotel. We have set targets to achieve high customer satisfaction scores. These scores are communicated to all the employees concerned and incorporated in the departments' goals as part of the key performance index.

Another strategy we used to achieve high guest satisfaction is in engagement and empowerment of our employees. Our employees are trained and entrusted with the responsibility to deliver the standard of service required to fulfill the guest's expectations. Through this process, we believe our employees will work with passion and feel a strong connection to the hotel.

We respect the privacy and confidentiality of our guests' personal information. Our privacy policy is in accordance with the Personal Data Protection Act 2010. It sets out the purpose and procedures for collecting and processing our guests' personal data and to prevent unauthorised misuse. We are not aware of any significant data security breaches in 2021.

3.7 Compliance

An effective governance structure and risk management system forms the backbone of our business operations. Risk assessments are conducted half yearly to identify and mitigate significant risks that are affecting our business operations. Annually, we review the adequacy of insurance coverage of all our business operations to safeguard against potential threats.

With strict adherence to our corporate governance principles and compliance to regulations, there were no incidents of non-compliance against regulatory requirements in 2021. There were also no incidences of non-compliance in 2021 with laws and regulations relating to environmental, labor and employment, and health and safety.

3.8 Communities

We are committed in giving back to the communities in which we operate and be a responsible corporate citizen. This is a platform for us to create an equitable and harmonious relationship between our businesses and the surrounding communities. As reported in our previous statements, we had been active in the communities and supported a range of charitable and fundraising events in the past years to fulfill our commitment to the communities. However the covid-19 pandemic had imposed many movement restrictions, social gathering prohibitions and other public health measures, hence the scale of our community initiatives had reduced compared to previous years. With work-from-home and movement restrictions orders for most part of the year, we have been cautious and minimize any social and community activities. We will resume our commitment to the communities when the situation is normalized.

The Audit and Risk Management Committee ("ARMC") is appointed by the Board of Directors to ensure a high standard of corporate responsibility, integrity and accountability to shareholders, in line with the corporate governance and disclosure standard expected from that of a public company.

MEMBERS OF THE ARMC

The ARMC comprises the following Directors:-

Dato' Tea Choo Keng
Chairman, Independent Non-executive Director

Mr. Yeoh Chong Keat
Independent Non-executive Director

Dr. Teoh Kim Loon
Independent Non-executive Director

All ARMC members have the essential skills and expertise to perform their duties and responsibilities.

The terms of reference of the ARMC is available for reference on the Company's website at www.lienhoe.com.my.

SUMMARY OF WORK OF THE ARMC

The ARMC met 5 times during the FYE 31 December 2021. The details of attendance at the meetings are as follows:-

ARMC Member	No. of meetings attended	Percentage
Dato' Tea Choo Keng	5/5	100%
Mr. Yeoh Chong Keat	5/5	100%
Dr. Teoh Kim Loon	5/5	100%

The Group's external auditors, internal auditors and some members of the senior management also attended all or part of the ARMC meetings at the invitation of the Chairman of the ARMC. The ARMC meets with the external auditors on separate sessions, without the presence of management, whenever deemed necessary.

During the FYE 31 December 2021, the works undertaken by the ARMC included:-

Financial Reporting

- Reviewed the audited financial statements ("AFS") for the FYE 31 December 2020 before recommending for approval by the Board, focusing particularly on compliance with accounting standards and regulatory requirements and noted that the AFS have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 and that the adoption of the financial reporting standards does not have any significant impact on the financial statements of the Group and of the Company.

All audit findings and management response in relation to the AFS were reported by the External Auditors to the ARMC at the said meeting.

- Reviewed the quarterly financial results before recommending for approval by the Board, focusing on compliance with accounting standards and regulatory requirements.

  The ARMC also compared quarterly results with the immediate preceding quarter, the corresponding quarter the year before, and year-to-date results.

External Audit

- Reviewed the audit findings and management responses thereto and discussed outstanding matters with the External Auditors.

- Received confirmation from the External Auditors that they had received full cooperation from the management during their audit and no significant problems were encountered.

- Meeting with the External Auditors without the presence of management. The ARMC also informed the management of any pertinent issues raised by the External Auditors for their further action.

- Recommended for approval by the Board, the re-appointment of UHY as external auditors of the Company for the financial year 2021 after having evaluated their suitability for re-appointment.

- Reviewed the audit planning memorandum for the financial year 2021. The audit planning memorandum outlined among others, the audit approach, areas of audit emphasis, financial reporting standards adopted and proposed fees for the statutory audit and review of the Statement on Risk Management and Internal Control. At the same meeting the ARMC also noted the declaration of independence by the External Auditors.

Internal Audit

- Reviewed the methodology, approach, scope and frequency of the internal audit plan for the financial year 2021 as proposed by the Internal Auditors.

- Reviewed the results of the audit work carried out by the Internal Auditors as well as the recommendations suggested by the Internal Auditors and the actions and timeliness of those actions taken by the management on such recommendations.

- Met with the management on some of the points highlighted by the Internal Auditors.

The internal audit function of the Group is outsourced to an independent professional consulting firm, Sterling Business Alignment Consulting Sdn Bhd. The Internal Auditors report directly to the ARMC, and are responsible to undertake independent, regular and systematic reviews of the financial and operational controls implemented within the Group and the Company, so as to provide reasonable assurance that such controls continue to operate satisfactorily and effectively.

During the FYE 31 December 2021, the works performed by the internal audit function include:-

- Conducting regular reviews of business processes in accordance with the internal audit plan approved by the ARMC;

- Reporting the results of the internal audit reviews and making recommendations for improvement to the ARMC on a periodic basis; and

- Following-up on the implementation of internal audit recommendations and action plans agreed upon by the management.

The internal audits conducted did not detect any material weaknesses which would result in material losses, contingencies or uncertainties that would require disclosure in this Annual Report.

The total cost incurred for maintaining the internal audit function for the year under review was RM44,721 comprising mainly professional fees and reimbursements.

Further details on the work of the internal audit function are set out in the Statement on Risk Management and Internal Control on pages 41 to 44 of this Annual Report.

Others

- Reviewed on a quarterly basis any related party transactions and conflict of interest situations that may arise.

- Reviewed the ARMC Report and Statement on Risk Management and Internal Control before recommending the same for approval by the Board.

- Reviewed the letters of representation of the Group and of the Company in relation to the AFS for the FYE 31 December 2020 and the letter of representation in relation to the Statement on Risk Management and Internal Control before recommending the same for approval by the Board.

The Board is pleased to present the Statement on Risk Management and Internal Control of Lien Hoe Corporation Berhad and its subsidiary companies ("the Group") for the financial year ended 31 December 2021. This Statement on Risk Management and Internal Control by the Board is made pursuant to paragraph 15.26(b) of the Main Market Listing Requirements, Malaysian Code on Corporate Governance 2021 ("the Code") and Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITIES

The Board affirms its overall responsibility for maintaining the Group's system of internal control, risk management and reviewing the adequacy and integrity of these systems. In view of the limitations that are inherent in any system of internal control, the system is designed to manage, rather than eliminate the risk of failure to achieve the Group's business objectives. Accordingly, it can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board had obtained assurance from the Executive Directors that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

RISK MANAGEMENT

The Board confirms that there is an ongoing process of identifying, evaluating, managing, and responding to risks to achieve the objectives of the Group for the financial year under review. The Board reviews the company's internal control and risk management framework annually as well as when new emerging risks are identified as risk management forms an integral part of the Group's business operations. Risk factors identified are reported to the Executive Directors for further evaluation and strategic decision-making. In addition, the process of identifying, evaluating, monitoring and managing significant risks is embedded in the various work processes and procedures of the respective operational functions and management teams. Any significant issues and controls implemented are discussed at the operations and monthly management meetings.

As part of the risk management process, a detailed Registry of Risks and Risk Management Handbook were adopted. The Registry of Risks is maintained to identify principal business risks for ongoing changes in the risk profile. The Risk Management Handbook summarizes risk management methodology, approach and processes, roles and responsibilities, and various risk management concepts. The Risk Management Working Group of the hotel division is entrusted to identify risk and to ensure that adequate control systems are implemented to mitigate significant risks faced by the Group. The Board reviews the existing risk management framework for ensuring the framework remains relevant to the Group's business and operation requirements.

The key elements of the Group's risk management framework include:

- Risk Management Working Group is established at the subsidiary level to support and advise the Group Audit and Risk Management Committee ("ARMC") on the implementation and monitoring of the Group Risk Management Policies and Strategies.

- For the hotel division, the working group comprised the management team which includes the General Manager, Financial Controller, and key personnel/representatives from the respective departments.

- For the corporate division, the Executive Directors review the annual risk profile including corporate liabilities risks.

- The duties of the Risk Management Working Groups include:

  - overseeing the risk management matters, which include identifying, managing, monitoring, treating and mitigating significant risks;

  - assisting the Board to fulfill its responsibilities with regard to risk governance and risk management in order to manage the overall risk exposure;

  - overseeing the compliance and business continuity functions;

  - reviewing and recommending for the Board's consideration and approval, the risk management principles, frameworks and policies for managing risks; and

  - monitoring and assessing the risk appetite and risk tolerance, so as to safeguard the shareholders' investments and the Group's assets.

- The Risk Management Working Groups discuss, update and report any new significant risks of the respective division's risk profile once a year. The Internal Auditors are also invited to review the updated risk profile. The final risk profile together with the proposed internal audit plan are presented to the ARMC by the Internal Auditors.

- The Risk Management Working Groups has implemented the Anti-Bribery Management System with the objective of compliance with subsection (4) of section 17A under the Malaysian Anti-Corruption Commission (MACC) Act 2009 effective from 1 June 2020 onwards. For the financial period under review, the Group has assessed the Group Policy Handbook of Anti-Bribery and Corruption Management System implemented based on the Guideline on Adequate Procedures (GAP) and compliance with the listing requirements in relation to anti-corruption measures.

INTERNAL AUDIT FUNCTIONS

In accordance with the Code, the Group in its efforts to provide an adequate and effective internal control system had appointed Sterling Business Alignment Consulting Sdn Bhd ("Sterling"), an independent consulting firm, to review the adequacy and integrity of the system of internal control. Sterling acts as the Internal Auditor and is reporting directly to the ARMC on a periodic basis during the ARMC meetings. The ARMC is chaired by an Independent Non-executive Director, and its members comprise Independent Non-executive Directors. Sterling is free from any relationships or conflict of interest, which could impair their objectivity and independence of the internal audit function. Sterling does not have any direct operational responsibility or authority over any of the activities audited. The ARMC is of the opinion that the internal audit function is effective and able to function independently.

The Internal Auditor uses the Committee of Sponsoring Organizations of the Treadway Commission-Internal Control (COSO-IC) – Integrated Framework as a basis for evaluating the effectiveness of the internal control systems. On a periodic basis, the Internal Auditor reports to the ARMC on areas recommended for improvement and obtains Management's response to such recommendations.

The internal audit reviews are conducted according to the approved internal audit plan and address the critical business processes, internal control gaps, effectiveness and adequacy of the existing state of internal control and recommend possible improvements to the internal control process. The internal audit plans are reviewed and approved by the ARMC for the purpose to provide reasonable assurance that such a system continues to operate satisfactorily and effectively within the Group.

Follow-up visits are also carried out to ensure weaknesses identified have been or are being addressed. Periodic audit reports and status reports on follow-up actions are tabled to the ARMC during its meetings. For the financial year under review, the Internal Audit Reviews and Follow-up Status Reports that had been presented to the ARMC were as follows: -

Reporting Month	Name of Entity Audited	Audited Areas
May 2021	Hotel Armada (PJ) Sdn Bhd	Finance and Accounts Anti-Bribery Management System Review
September 2021	Hotel Armada (PJ) Sdn Bhd	Management Information System
November 2021	Group of Companies	Anti-Bribery Management System Review Corporate Governance Review
February 2022	Group of Companies	Risk Management Review

The Internal Audit Reviews and Follow-up Status Reports are reviewed by the ARMC and forwarded to the Management so that recommended corrective actions could be implemented. The Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are made within the required time frame.

A total of RM44,721 was spent on internal audit activities in the financial year ended 31 December 2021.

KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL SYSTEM

1. Control Environment and Control Activities

- The Group maintains a clear organisation structure and adopts a hierarchical reporting system with defined lines of responsibility and accountability, appropriate segregation of duties and levels of delegated authority.

- Experienced and competent staff are placed in areas of responsibility to support and continuously monitor the effectiveness of the Group's system of internal control.

- Clearly defined authorisation limits at appropriate levels are set out for controlling and approving capital expenditure and expenses.

- Clearly defined Code of Conduct, Standard Operating Procedures and Staff Handbook act as the key framework for good internal control practices. These policy manuals are the subject of reviews to meet new operational and statutory requirements.

- Board and Board Committees operate based on the Board Charter and Terms of Reference. External and internal auditors conduct their assessment based on an agreed scope of work and are assessed annually for effectiveness and level of service.

- A structured recruitment process is used to ensure that good employees join the Group. A performance appraisal system and a wide variety of training and development programmes are in place to maintain staff competency.

2. Monitoring and Communication

- Regular board and management meetings are held to assess Group performance and internal controls.

- Regular visits are conducted to operating units by members of the Board and senior management whenever appropriate to verify actual operational performance.

- Operations review meetings are held by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures.

- Regular review of business processes is conducted by the independent internal audit unit to assess the effectiveness of internal controls. Reports on findings of the internal audit and status reports on follow-up actions are presented to the ARMC for consideration.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed the Statement on Risk Management and Internal Control for inclusion in this Annual Report and had reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and integrity of the system of internal control.

CONCLUSION

For the financial year under review and up to the date of approval of this Statement, the Board is of the opinion that the risk management and internal control system currently in place is as far as practicable, adequate and effective to safeguard the Group's interests and assets. For the coming year, the Board will continually assess the adequacy and effectiveness of the Group's system of internal control and to strengthen it, as and when necessary.

This Statement on Risk Management and Internal Control is approved by the Board on 14 April 2022.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the external auditors by the Group and the Company respectively for the financial year ended ("FYE") 31 December 2021 are set out below:-

	Group RM'000	Company RM'000
Statutory audit fee	154	70
Non-audit fee	5	5

The non-audit fee paid or payable was in respect of the external auditors' review of the Statement on Risk Management and Internal Control.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries, involving the interests of the directors or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year.

UTILISATION OF PROCEEDS

During the FYE 31 December 2021, the Group completed the disposal of a parcel of vacant land located within Bandar Seri Alam, Masai, Johor, held under title HS(D) 592954, PTD 239918, Mukim of Plentong, District of Johor Bahru, State of Johor, measuring 69.03 acres, for a cash consideration of RM88.67 million.

The utilisation of proceeds from the disposal as of the end of the FYE 31 December 2021 are as set out below:

	Intended utilisation RM'000	Actual utilisation RM'000	Remaining unutilised proceeds RM'000
Working capital/ business expansion/new investment	65,004	21,995	43,009
Estimated expenses related to the disposal	3,100	886	2,214
Construction of the access road	5,500	5,500	-
Repayment of loan	15,062	15,062	-
	88,666	43,443	45,223

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company ("Board") is required by the Companies Act 2016 ("Act") to prepare financial statements for each financial year in accordance with the provisions of the Act and applicable approved accounting standards in Malaysia, and that these financial statements give a true and fair view of the financial position of the Group and of the Company as at the end of the financial year and of their financial performance and cash flows for the financial year then ended.

The Board is to ensure that appropriate accounting policies have been used and applied consistently and in accordance with applicable approved accounting standards in Malaysia, and that reasonable and prudent judgements and estimates have been made in the preparation of the financial statements.

The Board is responsible for ensuring the Group keeps proper accounting records so as to enable the preparation of the financial statements with reasonable accuracy.

The Board is also responsible for taking such reasonable steps to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities.

This Directors' Responsibility Statement is approved by the Board on 14 April 2022.

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is a property and investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 6 to the financial statements.

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

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Loss net of tax, attributable to owners of the Company	85,192	8,331

RESERVES AND PROVISIONS

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

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year. The Directors do not recommend the payment of any dividend in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There were no issuance of shares or debentures during the current financial year.

TREASURY SHARES

As at 31 December 2021, the Company held 29,321,700 treasury shares out of the total 361,742,241 issued ordinary shares. Further relevant details are disclosed in Note 15 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The Directors of the Company in office since the beginning of the current financial year until the date of this report are:

Yeoh Chong Keat
Dato' Yap Sing Hock
Yap Tse Yeeng Christine
Cheong Marn Seng
Dr. Teoh Kim Loon
Dato' Tea Choo Keng

The Directors of the subsidiary companies (excluding Directors who are also Directors of the Company) in office since the beginning of the current financial year until the date of this report are:

Hoon Tai Chee
Chan Yew May

DIRECTORS' INTERESTS

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of Ordinary Shares			
	1 January 2021	**Acquired**	**Sold**	**31 December 2021**
The Company				
Direct Interest				
Cheong Marn Seng	720,500	-	-	720,500
Indirect Interest				
Dato' Yap Sing Hock *	196,920,197	-	-	196,920,197

** deemed interest by virtue of his shareholdings in Christine Holding Sdn Bhd*

By virtue of his interest in the shares of the Company, Dato' Yap Sing Hock is also deemed to have an interest in the shares of all the subsidiary companies to the extent the Company has an interest pursuant to Section 8 of the Companies Act 2016 in Malaysia.

Yeoh Chong Keat, Yap Tse Yeeng Christine, Dr. Teoh Kim Loon and Dato' Tea Choo Keng who were in office at the end of the current financial year do not have any interest in the shares of the Company or its related corporations.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in Note 24(a) to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than professional fees paid or payable to companies in which certain Directors of the Company have substantial financial interest as disclosed in Note 29(b) to the financial statements.

Neither during nor at the end of the current financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016.

OTHER STATUTORY INFORMATION

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

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

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

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

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

  (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

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

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

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

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

(d) In the opinion of the Directors:

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

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

   (iii) there has not arisen in the interval between the end of the current financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the current financial year in which this report is made.

SUBSIDIARY COMPANIES

The details of the subsidiary companies are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENT

The significant event is disclosed in Note 34 to the financial statements.

AUDITORS

The Auditors, Messrs. UHY, have expressed their willingness to continue in office.

The details of auditors' remuneration are 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 14 April 2022.

DATO' YAP SING HOCK **CHEONG MARN SENG**

KUALA LUMPUR

STATEMENT BY DIRECTORS AND STATUTORY DECLARATION

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

We, Dato' Yap Sing Hock and Cheong Marn Seng, being two of the Directors of Lien Hoe Corporation Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 56 to 123 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2022.

DATO' YAP SING HOCK

CHEONG MARN SENG

KUALA LUMPUR

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Cheong Marn Seng (MIA Membership No: 7592), being the Director primarily responsible for the financial management of Lien Hoe Corporation Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 56 to 123 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed at Kuala Lumpur in the state
of Federal Territory on 14 April 2022

CHEONG MARN SENG

Before me,
Zainul Abidin bin Ahmad
No. W790
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIEN HOE CORPORATION BERHAD
[Registration No.: 196901000161(8507-X)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lien Hoe Corporation Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 56 to 123.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group 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.

We have determined that there are no key audit matters in the audit of the financial statements of the Group and of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary company of which we have not acted as auditors are disclosed in Note 6 to the financial statements.

Other Matters

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

UHY
Firm Number: AF 1411
Chartered Accountants

LIM BEE PENG
Approved Number: 03307/06/2023 J
Chartered Accountant
KUALA LUMPUR
14 April 2022

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		GROUP		COMPANY	
		2021	2020	**2021**	2020
	Note	**RM'000**	RM'000	**RM'000**	RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	**177,136**	178,559	**90**	143
Right-of-use assets	5	**163,911**	176,674	**54**	108
Investment in subsidiary companies	6	**-**	-	**81,783**	85,769
Other investment	7	**-**	1,000	**-**	-
Goodwill	8	**-**	8,927	**-**	-
Inventories	9	**-**	52,934	**-**	-
		341,047	418,094	**81,927**	86,020
Current assets					
Inventories	9	**12,575**	12,548	**-**	-
Trade and other receivables	10	**40,800**	2,334	**30**	173
Amount due from subsidiary companies	11	**-**	-	**114,689**	117,898
Income tax recoverable		**285**	282	**-**	-
Deposits, bank and cash balances	12	**10,564**	10,440	**73**	359
		64,224	25,604	**114,792**	118,430
Assets held for sale	13	**6,500**	88,666	**-**	-
		70,724	114,270	**114,792**	118,430
Total assets		**411,771**	532,364	**196,719**	204,450

	Note	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	**142,188**	142,188	**142,188**	142,188
Treasury shares	15	**(9,177)**	(9,177)	**(9,177)**	(9,177)
Reserves	16	**217,785**	269,822	**19,337**	19,337
(Accumulated losses)/ Retained earnings		**(52,644)**	(22,965)	**20,798**	29,129
Total equity		**298,152**	379,868	**173,146**	181,477
LIABILITIES					
Non-current liabilities					
Lease liabilities	17	**496**	761	**25**	78
Bank borrowings	18	**32,479**	46,670	**-**	-
Deferred tax liabilities	19	**45,858**	63,347	**-**	-
		78,833	110,778	**25**	78
Current liabilities					
Trade and other payables	20	**21,919**	27,273	**10,008**	7,953
Amount due to subsidiary companies	11	**-**	-	**8,584**	8,735
Lease liabilities	17	**379**	440	**49**	50
Bank overdraft	21	**3,972**	3,986	**-**	-
Bank borrowings	18	**3,609**	2,000	**-**	-
Income tax payable		**4,907**	8,019	**4,907**	6,157
		34,786	41,718	**23,548**	22,895
Total liabilities		**113,619**	152,496	**23,573**	22,973
Total equity and liabilities		**411,771**	532,364	**196,719**	204,450

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

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

	Note	GROUP 2021 RM'000	GROUP 2020 RM'000	COMPANY 2021 RM'000	COMPANY 2020 RM'000
Revenue	22	**9,278**	11,355	**1,200**	1,200
Cost of sales		**(4,250)**	(6,179)	**-**	-
Gross profit		**5,028**	5,176	**1,200**	1,200
Other income		**173**	483	**708**	368
Other expenses		**(71,193)**	(4,583)	**(3,986)**	(396)
Operating and administrative expenses		**(32,736)**	(28,315)	**(4,523)**	(4,025)
Net loss on impairment of financial instruments		**(52)**	(221)	**(1,723)**	(1,351)
Loss from operations	23	**(98,780)**	(27,460)	**(8,324)**	(4,204)
Finance costs	25	**(3,483)**	(3,604)	**(7)**	(3)
Loss before tax		**(102,263)**	(31,064)	**(8,331)**	(4,207)
Income tax expense	26	**17,071**	1,078	**-**	-
Loss net of tax for the financial year		**(85,192)**	(29,986)	**(8,331)**	(4,207)
Loss per share					
Basic and diluted (sen)	27	**(25.63)**	(9.02)		

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Loss net of tax for the financial year	**(85,192)**	(29,986)	**(8,331)**	(4,207)
Other comprehensive income, net of tax				
Item that will not be reclassified subsequently to profit or loss				
Revaluation of land and buildings	**3,476**	(59,134)	**-**	-
Total comprehensive loss for the financial year	**(81,716)**	(89,120)	**(8,331)**	(4,207)
Loss net of tax for the financial year attributable to owners of the Company	**(85,192)**	(29,986)	**(8,331)**	(4,207)
Total comprehensive loss for the financial year attributable to owners of the Company	**(81,716)**	(89,120)	**(8,331)**	(4,207)

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

	Attributable to owners of the Company					
	Non-distributable			Distributable		
	Share capital RM'000	Treasury shares RM'000	Asset revaluation reserve RM'000	Capital reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total equity RM'000
Group						
At 1 January 2020	142,188	(9,177)	312,220	21,455	2,302	468,988
Loss net of tax for the financial year	-	-	-	-	(29,986)	(29,986)
Other comprehensive loss for the financial year	-	-	(59,134)	-	-	(59,134)
Total comprehensive loss for the financial year	-	-	(59,134)	-	(29,986)	(89,120)
Realisation of asset revaluation reserve	-	-	(4,719)	-	4,719	-
At 31 December 2020	142,188	(9,177)	248,367	21,455	(22,965)	379,868
At 1 January 2021	142,188	(9,177)	248,367	21,455	(22,965)	379,868
Loss net of tax for the financial year	**-**	**-**	**-**	**-**	**(85,192)**	**(85,192)**
Other comprehensive income for the financial year	**-**	**-**	**3,476**	**-**	**-**	**3,476**
Total comprehensive income/(loss) for financial year	**-**	**-**	**3,476**	**-**	**(85,192)**	**(81,716)**
Realisation of asset revaluation reserve	**-**	**-**	**(55,513)**	**-**	**55,513**	**-**
At 31 December 2021	**142,188**	**(9,177)**	**196,330**	**21,455**	**(52,644)**	**298,152**

	Attributable to owners of the Company				
	Non-distributable		Distributable		
	Share capital RM'000	Treasury shares RM'000	Capital reserve RM'000	Retained earnings RM'000	Total equity RM'000
Company					
At 1 January 2020	142,188	(9,177)	19,337	33,336	185,684
Loss net of tax for the financial year, representing total comprehensive loss for the financial year	-	-	-	(4,207)	(4,207)
At 31 December 2020	142,188	(9,177)	19,337	29,129	181,477
At 1 January 2021	142,188	(9,177)	19,337	29,129	181,477
Loss net of tax for the financial year, representing total comprehensive loss for the financial year	**-**	**-**	**-**	**(8,331)**	**(8,331)**
At 31 December 2021	**142,188**	**(9,177)**	**19,337**	**20,798**	**173,146**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Operating activities				
Loss before tax	**(102,263)**	(31,064)	**(8,331)**	(4,207)
Adjustments for:				
Depreciation of:				
- property, plant and equipment	**5,056**	5,770	**143**	180
- right-of-use assets	**5,848**	6,000	**54**	55
Finance costs	**3,483**	3,604	**7**	3
Gain on disposal of property, plant and equipment	**-**	(181)	**-**	(181)
Impairment losses on:				
- amount due from subsidiary companies	**-**	-	**1,723**	1,351
- goodwill	**8,927**	-	**-**	-
- investment in subsidiary companies	**-**	-	**3,986**	396
- other receivables (third parties)	**50**	226	**-**	-
- trade receivables (third parties)	**2**	-	**-**	-
Interest income	**(73)**	(156)	**-**	-
Loss on disposal of assets held for sale	**-**	500	**-**	-
Other investment written off	**1,000**	-	**-**	-
Property development costs written off	**53,624**	4,083	**-**	-
Provision for corporate guarantee loss	**471**	373	**471**	373
Reversal of impairment losses on:				
- property, plant and equipment	**(90)**	-	**(90)**	-
- trade receivables (third parties)	**-**	(5)	**-**	-
Unrealised foreign exchange gain	**-**	-	**(574)**	(187)
Waiver of debts	**-**	-	**(44)**	-
Operating loss before changes in working capital	**(23,965)**	(10,850)	**(2,655)**	(2,217)
Inventories	**(717)**	(5,536)	**-**	-
Receivables	**8,664**	2,056	**143**	807
Payables	**(5,825)**	3,350	**1,584**	31
Amount due from/(to) subsidiary companies	**-**	-	**1,953**	5,062
Cash (used in)/generated from operations	**(21,843)**	(10,980)	**1,025**	3,683
Income taxes paid	**(3,115)**	(3,770)	**(1,250)**	(3,740)
Net cash used in operating activities	**(24,958)**	(14,750)	**(225)**	(57)

	GROUP		COMPANY	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Investing activities				
Interest received	**73**	156	**-**	-
Proceeds from disposal of:				
- assets held for sale	**41,484**	9,000	**-**	-
- a subsidiary company	**-**	-	**-***	-
- property, plant and equipment	**-**	185	**-**	185
Purchase of property, plant and equipment	**(30)**	(1,192)	**-**	-
Net cash from investing activities	**41,527**	8,149	**-**	185
Financing activities				
Drawdown of bank borrowings	**-**	15,000	**-**	-
Fixed deposits pledged for banking facilities	**(44)**	(68)	**-**	-
Interest paid	**(1,065)**	(2,293)	**(7)**	(3)
Repayment of:				
- bank borrowings	**(15,000)**	(1,624)	**-**	-
- lease liabilities	**(366)**	(318)	**(54)**	(25)
Net cash (used in)/from financing activities	**(16,475)**	10,697	**(61)**	(28)
Net increase/(decrease) in cash and cash equivalents	**94**	4,096	**(286)**	100
Cash and cash equivalents at the beginning of the financial year	**3,083**	(1,013)	**359**	259
Cash and cash equivalents at the end of the financial year (Note 12)	**3,177**	3,083	**73**	359

Note:
* denote RM1

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

1. CORPORATE INFORMATION

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

The registered office and principal place of business of the Company is located at 3rd Floor, Plaza Armada, Lot 6, Lorong Utara C, Section 52, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal activity of the Company is property and investment holding. The principal activities of the subsidiary companies are disclosed in Note 6. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the current financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 14 April 2022.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of new and amended standards

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2

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

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020: • Amendments to MFRS 1 • Amendments to MFRS 9 • Amendments to MFRS 16 • Amendments to MFRS 141		1 January 2022
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above new standards and amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned new standards and amendments to standards are not expected to have any significant impact on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand (RM'000) except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Determining the lease term of contracts with renewal options - the Group as lessee

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

The Group has several lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Group includes the renewal period as part of the lease term for such leases. The Group typically exercises its option to renew for those leases with renewal option.

Key sources of estimation uncertainty

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

(i) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 8.

(ii) Provision for expected credit loss of financial assets at amortised cost

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The Group's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. Information about the expected credit loss on the Group's trade receivables is disclosed in Note 10.

(iii) Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets. The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed in Notes 4 and 5 respectively.

(iv) Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(v) Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 6.

(vi) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9.

(vii) Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement, the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or rendering of services are based on invoiced values. Discounts are not considered as they are only given in rare circumstance.

(viii) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these tax matters is different from the amount that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has income tax recoverable and income tax payable of RM285,000 and RM4,907,000 (2020: RM282,000 and RM8,019,000) respectively, and the Company has income tax payable of RM4,907,000 (2020: RM6,157,000).

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amount of the acquiree's identifiable net assets.

Acquisition-related costs are expensed off in profit or loss as incurred.

If the business combination is achieved in stages, previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Refer accounting policy Note 3(k)(i) on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. Refer accounting policy Note 3(k)(i) on impairment of non-financial assets.

(b) Foreign currency translation

(i) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Company's net investment in foreign operation are recognised in profit or loss in the Company's financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date, except for goodwill and fair value adjustments arising from business combinations before 1 January 2017 (the date of transition to MFRS) which are treated as assets and liabilities of the Company. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated to RM at exchange rates at the dates of the transactions.

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

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non-financial assets.

(i) Recognition and measurement

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

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

Land and buildings are measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus is recognised in other comprehensive income and credited to the asset revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluation is recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to the same asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation for other property, plant and equipment is computed on the straight-line basis to write off the cost or valuation of each asset to its residual value over their estimated useful lives, at the following annual rates:

Buildings	1% to 5%
Plant and machinery and motor vehicles	10% to 20%
Furniture, fittings and equipment	10% to 33%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

As lessee

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(k)(i) on impairment of non- financial assets.

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

Leasehold land	Over the lease period which ranges from 75 years to 90 years
Buildings	1% to 5% per annum, or over the lease term, if shorter
Plant and machinery and motor vehicles	10% to 20% per annum, or over the lease term, if shorter
Furniture, fittings and equipment	10% to 33% per annum, or over the lease term, if shorter

The ROU assets are subject to impairment.

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

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

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

Lease payments associated with short-term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less, and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statements of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which the benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Financial assets

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments. Transaction costs of financial assets carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Financial asset categories and subsequent measurement

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

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiary companies and deposits, bank and cash balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

(a) Debt investments

A debt investment is measured at FVTOCI if it meets both the following conditions and is not designated as FVTPL:

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

The debt investment is not designated at fair value through profit or loss. Interest income calculated using effective interest method, foreign exchange gains or losses and impairment are recognised in profit or loss. Other net gains or losses are recognised in other comprehensive income.

On derecognition, gains or losses accumulated in other comprehensive income are reclassified to profit or loss.

(b) Equity investments

This category comprises investment in equity that is not held for trading. The Group and the Company irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represent a recovery of part of the cost of investment. Other net gains or losses are recognised in other comprehensive income.

On derecognition, gains or losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income are recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment in accordance with Note 3(k)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

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

(f) Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

At initial recognition, the Group and the Company measure a financial liability at its fair value less, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance of the financial instruments.

Financial liability categories and subsequent measurement

The Group and the Company classify their financial liabilities as follows:

(i) Financial liabilities at fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses recognised in profit or loss.

The Group and the Company have not designated any financial liabilities as FVTPL.

(ii) Financial liabilities at amortised cost

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

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

The Group's and the Company's financial liabilities designated at amortised cost comprise trade and other payables, amount due to subsidiary companies, lease labilities, bank borrowings and bank overdraft.

Derecognition

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

(g) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specific payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and

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

(h) Offsetting of financial instruments

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

(i) Inventories

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

(i) Property development costs

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 expense in profit or loss when and as the control of the asset is transferred to the customer over time or at a point in time.

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

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

(ii) Completed properties held for sale

The cost of completed properties comprise 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 applicable variable selling expenses.

(iii) Other inventories

Cost of material comprise cost of purchase and other costs incurred in bringing it to their present location and condition and are determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, at banks, deposits at call (excluding deposits pledged for banking facilities granted to the Group) and short-term highly liquid investments that are readily convertible to known amount of cash and which have an insignificant risk of changes in value. These also include bank overdraft that form an integral part of the Group's cash management.

(k) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill that have an indefinite useful lives, or that are not yet available for use, the recoverable amount is estimated in each period at the same time.

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 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 cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12 months ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(l) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

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

(ii) Treasury shares

When issued shares of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(n) Employee benefits

(i) Short-term benefits

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

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(o) Revenue and other income

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the goods or services. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from the following major sources:

(a) Revenue from hotel operations

Revenue from rental of hotel rooms and other related income are recognised on an accrual basis. Revenue from sale of food and beverage is recognised when significant risks and rewards of ownership of the goods have been transferred to the customers.

(b) Management fees

Revenue from management fees are recognised in the reporting period in which the services are rendered.

(ii) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(iii) Rental income

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

(iv) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(p) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(q) Income taxes

(i) Current tax

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

Current taxes are recognised in profit or loss except to the extent that the tax relates to a business combination or items recognised directly in equity or other comprehensive income.

(ii) Deferred tax

Deferred tax is provided for using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary companies and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiary companies and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted at the end of the reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised either in other comprehensive income or directly in equity. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(s) Contingencies

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

(t) Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Such non-current assets (or disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group).

Property, plant and equipment and ROU asset is not depreciated once classified as held for sale.

(u) Fair value measurement

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

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

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

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

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

Level 3 : unobservable inputs for the asset or liability.

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

4. PROPERTY, PLANT AND EQUIPMENT

	At valuation		At cost		
	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group					
2021					
Cost/Valuation					
At 1 January 2021	147,623	26,646	4,807	45,915	224,991
Additions	-	-	6	24	30
Transfer from right-of-use assets	-	-	492	46	538
Revaluation surplus	3,482	-	-	-	3,482
At 31 December 2021	151,105	26,646	5,305	45,985	229,041
Accumulated depreciation					
At 1 January 2021	-	12,851	4,175	29,235	46,261
Charge for the financial year	-	529	192	4,335	5,056
Transfer from right-of-use assets	-	-	492	15	507
At 31 December 2021	-	13,380	4,859	33,585	51,824
Accumulated impairment losses					
At 1 January 2021	-	171	-	-	171
Reversal of impairment loss	-	(90)	-	-	(90)
At 31 December 2021	-	81	-	-	81
Net carrying amount					
At 31 December 2021	151,105	13,185	446	12,400	177,136

	At valuation		At cost		
	Freehold land RM'000	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Group					
2020					
Cost/Valuation					
At 1 January 2020	298,305	57,085	3,510	44,723	403,623
Additions	-	-	-	1,192	1,192
Transfer from right-of-use assets	-	-	1,297	-	1,297
Revaluation deficit	(77,522)	-	-	-	(77,522)
Transfer to assets held for sale	(102,925)	-	-	-	(102,925)
Disposals	-	(674)	-	-	(674)
Reclassification	29,765	(29,765)	-	-	-
At 31 December 2020	147,623	26,646	4,807	45,915	224,991
Accumulated depreciation					
At 1 January 2020	-	26,370	2,686	24,819	53,875
Charge for the financial year	-	1,162	192	4,416	5,770
Transfer from right-of-use assets	-	-	1,297	-	1,297
Transfer to assets held for sale	(14,259)	-	-	-	(14,259)
Disposals	-	(422)	-	-	(422)
Reclassification	14,259	(14,259)	-	-	-
At 31 December 2020	-	12,851	4,175	29,235	46,261
Accumulated impairment losses					
At 1 January 2020	-	419	-	-	419
Disposals	-	(248)	-	-	(248)
Att 31 December 2020	-	171	-	-	171
Net carrying amount					
At 31 December 2020	147,623	13,624	632	16,680	178,559

	At valuation	At cost		
	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company				
2021				
Cost/Valuation				
At 1 January 2021/31 December 2021	**506**	**1,895**	**1,438**	**3,839**
Accumulated depreciation				
At 1 January 2021	329	1,895	1,301	3,525
Charge for the financial year	**6**	**-**	**137**	**143**
At 31 December 2021	**335**	**1,895**	**1,438**	**3,668**
Accumulated impairment losses				
At 1 January 2021	171	-	-	171
Reversal of impairment losses	**(90)**	**-**	**-**	**(90)**
At 31 December 2021	**81**	**-**	**-**	**81**
Net carrying amount				
At 31 December 2021	**90**	**-**	**-**	**90**

	Freehold buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Company				
2020				
Cost/Valuation				
At 1 January 2020	1,180	956	1,438	3,574
Transfer from right-of-use assets	-	939	-	939
Disposals	(674)	-	-	(674)
At 31 December 2020	506	1,895	1,438	3,839
Accumulated depreciation				
At 1 January 2020	708	956	1,164	2,828
Charge for the financial year	43	-	137	180
Transfer from right-of-use assets	-	939	-	939
Disposals	(422)	-	-	(422)
At 31 December 2020	329	1,895	1,301	3,525
Accumulated impairment losses				
At 1 January 2020	419	-	-	419
Disposals	(248)	-	-	(248)
At 31 December 2020	171	-	-	171
Net carrying amount				
At 31 December 2020	6	-	137	143

(a) During the current financial year, the freehold land and freehold buildings of the Group were revalued by independent professional valuers, Messrs. Henry Butcher Malaysia (Johor) Sdn Bhd and Allied Group Property Consultant (Selangor) Sdn Bhd.

The fair value of the freehold land and freehold buildings is within Level 2 of the fair value hierarchy. The fair value is based on the market comparable approach that reflects recent transacted price for similar properties.

Had the revalued freehold land and freehold buildings been carried at historical cost less accumulated depreciation and impairment losses, their carrying amounts would be as follows:

	2021 RM'000	2020 RM'000
Group		
Freehold land		
Cost and net carrying amount	**6,014**	6,014
Freehold buildings		
Cost	**26,645**	26,645
Less: Accumulated depreciation and impairment losses	**(13,550)**	(13,027)
Net carrying amount	**13,095**	13,618
Total net carrying amount	**19,109**	19,632

(b) In the previous financial year, freehold land and freehold buildings with net carrying amount of RM105,014,000 are charged to a licensed bank for banking facilities granted to the Group as disclosed in Note 18(a).

(c) During the current financial year, freehold land and freehold buildings with net carrying amount of RM102,400,000 are charged to a licensed bank for unutilised banking facilities granted to the Group.

5. RIGHT-OF-USE ASSETS

	At valuation		**At cost**			
	Long leasehold land RM'000	**Long leasehold buildings RM'000**	**Buildings RM'000**	**Plant and machinery and motor vehicles RM'000**	**Furniture, fittings and equipment RM'000**	**Total RM'000**
Group						
2021						
Cost/Valuation						
At 1 January 2021	36,556	162,440	106	3,458	46	202,606
Additions	**-**	**-**	**40**	**-**	**-**	**40**
Transfer to assets held for sale	**(7,551)**	**-**	**-**	**-**	**-**	**(7,551)**
Transfer to property, plant and equipment	**-**	**-**	**-**	**(492)**	**(46)**	**(538)**
Revaluation (deficit)/surplus	**(7,678)**	**7,254**	**-**	**-**	**-**	**(424)**
Expiration of lease contracts	**-**	**-**	**(106)**	**-**	**-**	**(106)**
At 31 December 2021	**21,327**	**169,694**	**40**	**2,966**	**-**	**194,027**

	At valuation		At cost			
	Long leasehold land RM'000	Long leasehold buildings RM'000	Buildings RM'000	Plant and machinery and motor vehicles RM'000	Furniture, fittings and equipment RM'000	Total RM'000
Accumulated depreciation						
At 1 January 2021	2,581	21,048	94	2,197	12	25,932
Charge for the financial year	**523**	**4,670**	**28**	**624**	**3**	**5,848**
Transfer to assets held for sale	**(1,051)**	**-**	**-**	**-**	**-**	**(1,051)**
Transfer to property, plant and equipment	**-**	**-**	**-**	**(492)**	**(15)**	**(507)**
Expiration of lease contracts	**-**	**-**	**(106)**	**-**	**-**	**(106)**
At 31 December 2021	**2,053**	**25,718**	**16**	**2,329**	**-**	**30,116**
Net carrying amount						
At 31 December 2021	**19,274**	**143,976**	**24**	**637**	**-**	**163,911**
Group						
2020						
Cost/Valuation						
At 1 January 2020	36,584	162,654	106	4,755	46	204,145
Transfer to property, plant and equipment	-	-	-	(1,297)	-	(1,297)
Revaluation deficit	(28)	(214)	-	-	-	(242)
At 31 December 2020	36,556	162,440	106	3,458	46	202,606
Accumulated depreciation						
At 1 January 2020	2,008	16,370	41	2,802	8	21,229
Charge for the financial year	573	4,678	53	692	4	6,000
Transfer to property, plant and equipment	-	-	-	(1,297)	-	(1,297)
At 31 December 2020	2,581	21,048	94	2,197	12	25,932
Net carrying amount						
At 31 December 2020	33,975	141,392	12	1,261	34	176,674

	Plant and machinery and motor vehicles RM'000
Company	
2021	
Cost	
At 1 January 2021/31 December 2021	**271**
Accumulated depreciation	
At 1 January 2021	163
Charge for the financial year	**54**
At 31 December 2021	**217**
Net carrying amount	
At 31 December 2021	**54**
Company	
2020	
Cost	
At 1 January 2020	1,210
Transfer to property, plant and equipment	(939)
At 31 December 2020	271
Accumulated depreciation	
At 1 January 2020	1,047
Charge for the financial year	55
Transfer to property, plant and equipment	(939)
At 31 December 2020	163
Net carrying amount	
At 31 December 2020	108

(a) During the current financial year, the long leasehold land and long leasehold buildings were revalued by an independent professional valuer, Messrs. Henry Butcher Malaysia Sdn Bhd.

The fair value of the long leasehold land and long leasehold buildings is within Level 2 of the fair value hierarchy. The fair value is based on the market comparable approach that reflects recent transacted price for similar properties.

Had the revalued long leasehold land and long leasehold buildings been carried at historical cost less accumulated depreciation, their carrying amounts would be as follows:

	2021 RM'000	2020 RM'000
Group		
Long leasehold land		
Cost	**20,039**	21,119
Less: Accumulated depreciation	**(7,102)**	(6,963)
Net carrying amount	**12,937**	14,156

	2021 RM'000	2020 RM'000
Long leasehold buildings		
Cost	**109,793**	109,793
Less: Accumulated depreciation	**(46,735)**	(44,458)
Net carrying amount	**63,058**	65,335
Total net carrying amount	**75,995**	79,491

(b) Included in right-of-use assets of the Group and of the Company are assets with net carrying amount of RM637,000 (2020: RM1,295,000) and RM54,000 (2020: RM108,000) respectively, pledged as securities for the related lease liabilities.

(c) Long leasehold land and long leasehold buildings with net carrying amount of RM163,250,000 (2020: RM160,068,000) are charged to licensed banks for banking facilities granted to the Group as disclosed in Notes 18(b) and 21(a).

(d) In the previous financial year, long leasehold land with net carrying amount of RM10,861,000 are charged to a licensed bank for banking facilities granted to a former subsidiary company.

(e) The remaining lease term of long leasehold land and long leasehold buildings of the Group range from 50 years to 76 years (2020: 51 years to 77 years) and 21 years to 31 years (2020: 22 years to 32 years) respectively.

6. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost		
At 1 January	254,607	254,607
Disposal of a deconsolidated subsidiary company	**(8,199)**	-
At 31 December	**246,408**	254,607
Accumulated impairment losses		
At 1 January	168,838	168,442
Impairment losses recognised	**3,986**	396
Disposal of a deconsolidated subsidiary company	**(8,199)**	-
At 31 December	**164,625**	168,838
Net carrying amount		
At 31 December	**81,783**	85,769

(a) On 25 February 2021, Marco Technology Sdn Bhd, a wholly-owned subsidiary company of Macro Resources Sdn Bhd ("MRSB") was struck off from the register of The Companies Commission of Malaysia in accordance with Section 550 of the Companies Act 2016.

(b) On 26 November 2021, the Company disposed its 100% equity interest in MRSB for a cash consideration of RM1. The financial results of MRSB was previously classified as discontinued operation under the construction segment and had been deconsolidated from the financial statements of the Group upon MRSB being placed under the judicial management of a judicial manager in the financial year ended 31 December 2019.

(c) During the current financial year, the Company carried out a review of the recoverable amount of the subsidiary companies. The review led to the recognition of an impairment loss of RM3,986,000 (2020: RM396,000), which was recognised as other expenses in the statements of profit or loss and other comprehensive income.

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Principal activities	Effective interest 2021 %	Effective interest 2020 %
Armada Resorts Sdn Bhd	Malaysia	Investment holding	**100**	100
Beta Management Services Sdn Bhd	Malaysia	Inactive	**100**	100
Bondmark Construction Services Co. Sdn Bhd	Malaysia	Inactive	**100**	100
Christine Resort Sdn Bhd	Malaysia	Property investment	**100**	100
Dominion Bay Sdn Bhd	Malaysia	Inactive	**100**	100
Exquisite Beams Sdn Bhd	Malaysia	Inactive	**100**	100
Hasil Andalas Sdn Bhd	Malaysia	Inactive	**100**	100
Hotel Armada Group Sdn Bhd	Malaysia	Investment holding	**100**	100
Hotel Armada (PJ) Sdn Bhd	Malaysia	Property investment and operation of hotel	**100**	100
Irama Serangkai Sdn Bhd	Malaysia	Property investment	**100**	100

Name of company	Place of business/ Country of incorporation	Principal activities	Effective interest 2021 %	2020 %
LH Bintang Development Sdn Bhd	Malaysia	Property development	**100**	100
LH Commercials Pte Ltd^	Singapore	Inactive	**100**	100
LH Indah Apartments Sdn Bhd	Malaysia	Property investment	**100**	100
LH Indah Apartments (First) Sdn Bhd	Malaysia	Inactive	**100**	100
LH Indah Apartments (Second) Sdn Bhd	Malaysia	Inactive	**100**	100
Lien Hoe Property Management Sdn Bhd	Malaysia	Inactive	**100**	100
Lien Hoe Square Sdn Bhd	Malaysia	Inactive	**100**	100
Macro Resources Sdn Bhd	Malaysia	Building contractors	**-***	100#
Macro Technology Sdn Bhd	Malaysia	Inactive	**-@**	100#
Menara Lien Hoe Sdn Bhd	Malaysia	Inactive	**100**	100
Pro-Meridian Sdn Bhd	Malaysia	Inactive	**100**	100
Taman Templer Sdn Bhd	Malaysia	Inactive	**100**	100

^ Audited by a member firm of UHY International Limited

 # Deconsolidated subsidiary companies

** Disposed during the financial year*

@ Struck off during the financial year

7. OTHER INVESTMENT

	Group 2021 RM'000	Group 2020 RM'000
Non-current		
Financial asset at FVTOCI		
Cost		
Unquoted preference shares in Malaysia		
1,000,000 2.5% redeemable preference shares	**-**	1,000

Based on the impairment assessment, the management determined that the carrying amount is not recoverable. Hence, this led to the written off of other investment amounting to RM1,000,000 (2020: RMNil) which was recognised as other expenses in the statements of profit or loss and other comprehensive income.

8. GOODWILL

	Group 2021 RM'000	Group 2020 RM'000
2021		
Cost		
At 1 January/31 December	**8,927**	8,927
Accumulated impairment losses		
At 1 January	-	-
Impairment losses recognised	**8,927**	-
At 31 December	**8,927**	-
Carrying amount		
At 31 December	**-**	8,927

Goodwill has been allocated to the Group's cash-generating units ("CGUs") identified according to business segments as follows:

	Group 2021 RM'000	Group 2020 RM'000
Property	**-**	4,651
Hotel	**-**	4,276
	-	8,927

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. As the Directors are of the opinion that since all the CGUs are to be held on a long-term basis, value in use would best reflect its recoverable amount. The value in use is determined by discounting future cash flows over a five-year period. The future cash flows are based on management's business plan, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each cash-generating unit.

(a) Key assumptions used to determine recoverable amount

There remains a risk that, due to unforeseen changes in the respective economies in which the cash-generating units operate and/or global economic conditions, the ability to achieve management's business plan will be adversely affected. In calculating the value in use for each cash-generating unit, management has applied a pre-tax discount rate of 1.9% (2020: 1.9%) and revenue growth rate of 5.0% (2020: 5.0%). The following describes each key assumptions on which management has based its cash flow projections for the purposes of impairment testing of goodwill:

(i) the discount rate used reflected the management's best estimate of return on capital employed required in the respective segments.

(ii) growth rate used is based on historical trend of each segment taking into account industry outlook for that segment.

(iii) the profit margin used in the projections are based on the historical profit margin trend for the individual cash generating unit or budgeted profit margin for predetermined projects obtained.

(b) Impairment losses recognised during the financial year

Based on the impairment assessment, the management determined that the carrying amounts for subsidiary companies are lower than the recoverable amounts of goodwill. Hence, this led to the recognition of impairment losses of RM8,927,000 (2020: RMNil) which was recognised as other expenses in the statements of profit or loss and other comprehensive income.

9. INVENTORIES

		Group	
		2021	2020
	Note	**RM'000**	RM'000
Non-current			
Property development costs	(a)	**-**	52,934
Current			
Inventories	(b)	**12,575**	12,548
		12,575	65,482

(a) Property development costs

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	52,934	51,254
Addition	**690**	5,763
Written off	**(53,624)**	(4,083)
At 31 December	**-**	52,934

This represents costs incurred for the proposed development projects to be undertaken by subsidiary companies.

(b) Inventories

	Group	
	2021	2020
	RM'000	RM'000
Cost		
Consumables	**308**	281
Net realisable value		
Land and apartment	**12,267**	12,267
	12,575	12,548

The cost of inventories recognised as an expense in the statements of profit or loss and other comprehensive income during the current financial year amounted to RM1,356,000 (2020: RM1,868,000).

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade receivables				
Third parties	**559**	312	**-**	-
Less: Accumulated impairment losses				
- Third parties	**(150)**	(148)	**-**	-
	409	164	**-**	-
Other receivables				
Third parties	**39,934**	593	**30**	168
Less: Accumulated impairment losses				
- Third parties	**(276)**	(226)	**-**	-
	39,658	367	**30**	168
Deposits	**305**	299	**-**	-
Prepayments	**428**	1,499	**-**	-
GST receivables	**-**	5	**-**	5
	40,391	2,170	**30**	173
	40,800	2,334	**30**	173

Trade receivables

Trade receivables are non-interest bearing and are generally on 7 days to 30 days (2020:7 days to 30 days) terms. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance accounts of trade receivables are as follows:

	Lifetime allowance RM'000	Credit impaired RM'000	Loss allowance RM'000
Group			
2021			
At 1 January	-	148	148
Impairment losses recognised	**2**	**-**	**2**
At 31 December	**2**	**148**	**150**
2020			
At 1 January	5	148	153
Reversal of impairment losses	(5)	-	(5)
At 31 December	-	148	148

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables at the reporting date are as follows:

	Gross RM'000	Loss allowance RM'000	Net amount RM'000
2021			
Not past due	**258**	**(1)**	**257**
Past due:			
1 to 30 days	**97**	**-**	**97**
More than 90 days	**56**	**(1)**	**55**
	153	**(1)**	**152**
Credit impaired:			
Individual impaired	**148**	**(148)**	**-**
	559	**(150)**	**409**
2020			
Not past due	110	-	110
Past due:			
1 to 30 days	43	-	43
31 to 60 days	4	-	4
More than 90 days	7	-	7
	54	-	54
Credit impaired:			
Individual impaired	148	(148)	-
	312	(148)	164

Trade receivables that are neither past due nor individually impaired are creditworthy debtors with good payment records with the Group.

The Group has gross trade receivables amounting to RM153,000 (2020: RM54,000) that are past due but not individually impaired at the reporting date and are unsecured in nature. The management is confident that these trade receivables are recoverable as these accounts are still active.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments.

Other receivables

(a) Included in other receivables of the Group is the balance of proceeds withheld by stakeholder amounted to RM39,540,000 (2020: RMNil) from the sale of a parcel of freehold land as disclosed in Note 13(a).

(b) In the previous financial year, included in other receivables of the Group and of the Company is an outstanding balance of RM137,000 from the minimum guaranteed sum of RM117,000,000 pursuant to a development agreement entered in 2011 for the disposal of Lot 1845 in Mukim of Tebrau, Johor.

Movements in the allowance accounts of other receivables are as follows:

	2021 **RM'000**	2020 RM'000
Group		
At 1 January	226	-
Impairment losses recognised	**50**	226
At 31 December	**276**	226

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that have defaulted on payments.

11. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

Amount due from subsidiary companies

	Company	
	2021 **RM'000**	2020 RM'000
Amount due from subsidiary companies		
At 1 January	180,010	186,327
Net repayment	**(1,486)**	(6,317)
Written off	**(16,939)**	-
Disposal of a deconsolidated subsidiary company	**(7,357)**	-
At 31 December	**154,228**	180,010

	Company	
	2021	2020
	RM'000	RM'000
Accumulated impairment losses		
At 1 January	62,112	60,761
Charge for the financial year	**1,723**	1,351
Written off	**(16,939)**	-
Disposal of a deconsolidated subsidiary company	**(7,357)**	-
At 31 December	**39,539**	62,112
Net carrying amount		
At 31 December	**114,689**	117,898

The amount due from subsidiary companies are unsecured, non-interest bearing and repayable on demand.

Amount due to subsidiary companies

	Company	
	2021	2020
	RM'000	RM'000
Amount due to subsidiary companies		
At 1 January	8,735	10,177
Net repayment	**(107)**	(1,442)
Waiver of debts	**(44)**	-
	8,584	8,735

The amount due to subsidiary companies are unsecured, non-interest bearing and repayable on demand.

12. DEPOSITS, BANK AND CASH BALANCES/CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Cash and bank balances	**7,069**	6,989	**73**	359
Fixed deposits with licensed banks	**3,495**	3,451	**-**	-
Deposits, bank and cash balances	**10,564**	10,440	**73**	359
Less: Fixed deposits pledged to licensed banks	**(3,415)**	(3,371)	**-**	-
Bank overdraft	**(3,972)**	(3,986)	**-**	-
Cash and cash equivalents	**3,177**	3,083	**73**	359

Cash at banks earn interest at floating rates based on daily bank deposit rates. Fixed deposits are made for varying periods depending on the immediate cash requirements of the Group and of the Company, and earn interests at respective fixed deposit rates. The deposits earn interest of 1.2% to 1.8% (2020: 1.2% to 2.9%) per annum and have average maturities of 3 months to 12 months (2020: 3 months to 12 months).

Included in fixed deposits is a sum of RM3,415,000 (2020: RM3,371,000) pledged to licensed banks for banking facilities granted to the Group as disclosed in Note 18(c).

13. ASSETS HELD FOR SALE

	Note	Group 2021 RM'000	2020 RM'000
Freehold land	(a)	**-**	88,666
Freehold land	(b)	**6,500**	-
		6,500	88,666

(a) On 4 September 2020, Christine Resort Sdn Bhd, a wholly-owned subsidiary company, entered into a conditional sale and purchase agreement to dispose a parcel of freehold land for a cash consideration of RM88,666,000 or reduced price of RM64,621,000 without development order. The disposal was approved by the shareholders of the Company at an Extraordinary General Meeting held on 30 November 2020. The disposal was completed during the current financial year.

In the previous financial year, the freehold land was charged to a licensed bank for banking facilities granted to the Group as disclosed in Note 18(a).

(b) On 24 September 2021, Irama Serangkai Sdn Bhd, a wholly-owned subsidiary company, entered into two sale and purchase agreements to dispose two parcels of leasehold land for a total cash consideration of RM6,500,000. The disposals are pending completion at the end of the current financial year.

14. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		Amount	
	2021 '000	2020 '000	**2021 RM'000**	2020 RM'000
Issued and fully paid				
At 1 January/31 December	**361,742**	361,742	**142,188**	142,188

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are re-issued.

15. TREASURY SHARES

	Group/Company			
	Number of ordinary shares		Amount	
	2021 '000	2020 '000	**2021 RM'000**	2020 RM'000
Issued and fully paid				
At 1 January/ 31 December	**29,322**	29,322	**9,177**	9,177

The shareholders of the Company, by an ordinary resolution passed at the last Annual General Meeting held on 18 June 2021, renewed the approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

The Company has the right to resell these shares at a later date. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

There was no share repurchased or sold during the current and previous financial year.

16. RESERVES

		Group		Company	
		2021	2020	**2021**	2020
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Non-distributable					
Asset revaluation reserve	(a)	**196,330**	248,367	**-**	-
Distributable					
Capital reserve	(b)	**21,455**	21,455	**19,337**	19,337
		217,785	269,822	**19,337**	19,337

(a) The asset revaluation reserve represents increases in the fair value of land and buildings, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

(b) The capital reserve relates to the asset revaluation reserve portion for land and buildings which have been disposed.

17. LEASE LIABILITIES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	**1,201**	1,519	**128**	153
Addition	**40**	-	**-**	-
Accretion of interest	**47**	47	**7**	3
Payment	**(413)**	(365)	**(61)**	(28)
At 31 December	**875**	1,201	**74**	128
Presented as:				
Non-current	**496**	761	**25**	78
Current	**379**	440	**49**	50
	875	1,201	**74**	128

The maturity analysis of lease liabilities are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Within 1 year	**414**	494	**56**	56
More than 1 year and less than 2 years	**349**	393	**27**	56
More than 2 years and less than 5 years	**161**	387	**-**	32
More than 5 years	**11**	30	**-**	-
	935	1,304	**83**	144
Less: Future finance charges	**(60)**	(103)	**(9)**	(16)
Present value of lease laibilities	**875**	1,201	**74**	128

The lease liabilities of the Group and of the Company bear interest at the reporting date which range from 2.3% to 2.6% (2020: 2.3% to 4.0%) and 2.5% (2020: 2.5%) per annum respectively.

18. BANK BORROWINGS

	Group	
	2021	2022
	RM'000	RM'000
Non-current		
Term loans	**32,479**	46,670
Current		
Term loans	**3,609**	2,000
Total bank borrowings	**36,088**	48,670

The maturity analysis of term loans are as follows:

Within 1 year	**3,609**	2,000
More than 1 year and less than 2 years	**5,109**	16,368
More than 2 years and less than 5 years	**17,593**	15,332
More than 5 years	**9,777**	14,970
	36,088	48,670

The term loans of the Group bear interest at the reporting date which range from 6.8% to 7.1% (2020: 6.8% to 7.1%) per annum.

The term loans are secured by the followings:

(a) Freehold land and freehold buildings of the Group as disclosed in Notes 4(b) and 13(a);

(b) Long leasehold land and long leasehold buildings of the Group as disclosed in Note 5(c);

(c) Fixed deposits of the Group as disclosed in Note 12; and

(d) Corporate guarantee by the Company.

19. DEFERRED TAX LIABILITIES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
At 1 January	63,347	83,876	**-**	-
Recognised in other comprehensive income	**(418)**	(18,630)	**-**	-
Recognised in profit or loss (Note 26)	**(17,071)**	(1,899)	**-**	-
At 31 December	**45,858**	63,347	**-**	-

The net deferred tax liabilities and assets shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Deferred tax liabilities	**46,319**	64,238	**-**	6
Deferred tax assets	**(461)**	(891)	**-**	(6)
	45,858	63,347	**-**	-

The components and movements of deferred tax liabilities and deferred tax assets are as follows:

Deferred tax liabilities

	Accelerated capital allowances RM'000	**Fair value adjustment arising from business combination RM'000**	**Revaluation of land and buildings RM'000**	**Total RM'000**
Group				
At 1 January 2021	891	1,788	61,559	64,238
Recognised in other comprehensive income	**-**	**-**	**(418)**	**(418)**
Recognised in profit or loss	**(512)**	**-**	**(17,071)**	**(17,583)**
Under provision in prior year	**82**	**-**	**-**	**82**
At 31 December 2021	**461**	**1,788**	**44,070**	**46,319**
At 1 January 2020	854	1,805	81,217	83,876
Recognised in other comprehensive income	-	-	(18,630)	(18,630)
Recognised in profit or loss	(499)	(17)	(1,028)	(1,544)
Under provision in prior year	536	-	-	536
At 31 December 2020	891	1,788	61,559	64,238

	Accelerated capital allowances RM'000	Fair value adjustment arising from business combination RM'000	Revaluation of land and buildings RM'000	Total RM'000
Company				
At 1 January 2021	6	-	-	6
Recognised in profit or loss	**(6)**	**-**	**-**	**(6)**
At 31 December 2021	**-**	**-**	**-**	**-**
At 1 January 2020	-	-	-	-
Recognised in profit or loss	(6)	-	-	(6)
Under provision in prior year	12	-	-	12
At 31 December 2020	6	-	-	6

Deferred tax assets

	Unused tax losses RM'000	Unabsorbed capital allowances RM'000	Others RM'000	Total RM'000
Group				
At 1 January 2021	(162)	(694)	(35)	(891)
Recognised in profit or loss	**(107)**	**612**	**(1)**	**504**
Over / (Under) provision in prior year	**154**	**(228)**	**-**	**(74)**
At 31 December 2021	**(115)**	**(310)**	**(36)**	**(461)**
At 1 January 2020	-	-	-	-
Recognised in profit or loss	(153)	577	92	516
Under provision in prior year	(9)	(1,271)	(127)	(1,407)
At 31 December 2020	(162)	(694)	(35)	(891)
Company				
At 1 January 2021	-	(6)	-	(6)
Recognised in profit or loss	**-**	**6**	**-**	**6**
At 31 December 2021	**-**	**-**	**-**	**-**
At 1 January 2020	-	-	-	-
Recognised in profit or loss	-	6	-	6
Under provision in prior year	-	(12)	-	(12)
At 31 December 2020	-	(6)	-	(6)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Unused tax losses	**34,914**	53,950	**13,319**	12,653
Unabsorbed capital allowances	**7,868**	4,384	**434**	395
	42,782	58,334	**13,753**	13,048

Deferred tax assets have not been recognised in respect of these items as they are not probable that future taxable profit will be available against which they can be utilised based on the current plan of the respective companies.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act 1967, effective from year of assessment 2019 onwards, the unused tax losses can be carried forward for a maximum period of ten consecutive years of assessment. The unused tax losses accumulated up to year of assessment 2018 can be carried forward for another ten consecutive years of assessment until year of assessment 2028.

20. TRADE AND OTHER PAYABLES

		Group		Company	
		2021	2020	**2021**	2020
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Current					
Trade payables		**2,002**	2,363	**-**	-
Other payables:					
- Accruals		**2,578**	2,198	**1,745**	1,505
- Provisions	(a)	**6,374**	5,903	**6,374**	5,903
- Others	(b)	**10,965**	16,809	**1,889**	545
		21,919	27,273	**10,008**	7,953

Trade and other payables are non-interest bearing and are normally settled on an average term of 60 days (2020: 60 days).

(a) This represents provision for corporate guarantee loss for banking facilities of a former subsidiary company.

(b) In the previous financial year, included in other payables are deposits amounting to RM8,867,000 for the sale of freehold land as disclosed in Note 13(a).

21. BANK OVERDRAFT

The interest rate at the reporting date for bank overdraft is 6.9% (2020: 6.9%) per annum, and is secured by the followings:

(a) Long leasehold land and long leasehold buildings of the Group as disclosed in Note 5(c); and

(b) Corporate guarantee by the Company.

22. REVENUE

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Revenue from contracts with customers				
Revenue from hotel	**6,504**	8,536	**-**	-
Management fees from subsidiary companies	**-**	-	**1,200**	1,200
	6,504	8,536	**1,200**	1,200
Revenue from other sources				
Rental income	**2,774**	2,819	**-**	-
	9,278	11,355	**1,200**	1,200
Timing of revenue recognition:				
At a point in time	**6,504**	8,536	**-**	-
Overtime	**-**	-	**1,200**	1,200
Total revenue from contracts with customers	**6,504**	8,536	**1,200**	1,200

23. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging/(crediting):

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Auditors' remuneration:				
- statutory audit	**154**	154	**70**	70
- other services	**5**	5	**5**	5
Depreciation of:				
- property, plant and equipment (Note 4)	**5,056**	5,770	**143**	180
- right-of-use assets (Note 5)	**5,848**	6,000	**54**	55
Directors' remuneration [Note 24(a)]	**3,911**	5,343	**656**	592
Expenses arising from the sale of freehold land [Note 13 (a)]:				
- construction of the access road	**5,500**	-	**-**	-
- rebate on prepayment	**2,142**	-	**-**	-
Gain on disposal of property, plant and equipment	**-**	(181)	**-**	(181)
Impairment losses on:				
- amount due from subsidiary companies	**-**	-	**1,723**	1,351
- goodwill	**8,927**	-	**-**	-
- investment in subsidiary companies	**-**	-	**3,986**	396
- other receivables (third parties)	**50**	226	**-**	-
- trade receivables (third parties)	**2**	-	**-**	-
Interest income	**(73)**	(156)	**-**	-
Loss on disposal of assets held for sale	**-**	500	**-**	-
Other investment written off	**1,000**	-	**-**	-

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Property development costs written off	**53,624**	4,083	**-**	-
Provision for corporate guarantee loss	**471**	373	**471**	373
Reversal of impairment losses on:				
- property, plant and equipment	**(90)**	-	**(90)**	-
- trade receivables (third parties)	**-**	(5)	**-**	-
Unrealised foreign exchange gain	**-**	-	**(574)**	(187)
Waiver of debts	**-**	-	**(44)**	-
Staff costs:				
- wages and salaries	**3,654**	5,246	**1,142**	1,452
- social security costs	**46**	68	**10**	12
- defined contribution plans	**333**	497	**98**	122
	4,033	5,811	**1,250**	1,586

24. KEY MANAGEMENT PERSONNEL REMUNERATION

(a) Directors

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	**3,611**	5,034	**402**	338
Defined contribution plans	**57**	66	**11**	11
Benefits-in-kind	**15**	15	**15**	15
	3,683	5,115	**428**	364
Non-executive:				
Fees	**243**	243	**243**	243
	3,926	5,358	**671**	607
Analysis excluding benefits-in-kind:				
Total executive directors' remuneration	**3,668**	5,100	**413**	349
Total non-executive directors' remuneration	**243**	243	**243**	243
Total directors' remuneration	**3,911**	5,343	**656**	592

(b) Other key management personnel

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Wages and salaries	**413**	463	**160**	160
Social security costs	**2**	2	**1**	1
Defined contribution plans	**46**	56	**19**	23
	461	521	**180**	184

25. FINANCE COSTS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on:				
Bank overdraft	**273**	285	**-**	-
Lease liabilities	**47**	47	**7**	3
Term loans	**3,163**	3,272	**-**	-
	3,483	3,604	**7**	3

26. INCOME TAX EXPENSE

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Tax expenses recognised in profit or loss				
Malaysian income tax				
Under provision in prior year	**-**	821	**-**	-
	-	821	**-**	-
Deferred taxation (Note 19)				
Deferred tax relating to net surplus on revaluation of land and buildings	**(17,071)**	(1,028)	**-**	-
Over provision in prior year	**-**	(871)	**-**	-
	(17,071)	(1,899)	**-**	-
	(17,071)	(1,078)	**-**	-

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expense applicable to loss before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Loss before tax	**(102,263)**	(31,064)	**(8,331)**	(4,207)

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
At Malaysian statutory tax rate of 24% (2020: 24%)	**(24,543)**	(7,455)	**(1,999)**	(1,010)
Expenses not deductible for tax purposes	**11,546**	4,001	**2,000**	721
Income not subject to tax	**(22)**	-	**(170)**	(45)
Under provision of income tax expense in prior year	**-**	821	**-**	-
Over provision of deferred tax in prior year	**-**	(871)	**-**	-
Crystallisation of deferred tax on revaluation surplus	**(320)**	(1,028)	**-**	-
Utilisation of unused tax losses previously not recognised	**(4,728)**	-	**-**	-
Deferred tax assets not recognised	**996**	3,454	**169**	334
Total income tax expense recognised in profit or loss	**(17,071)**	(1,078)	**-**	-

The Group and the Company have estimated unused tax losses and unabsorbed capital allowances available for offset against future taxable profits as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Unused tax losses	**35,393**	53,984	**13,319**	12,653
Unabsorbed capital allowances	**9,159**	8,224	**434**	422
	44,552	62,208	**13,753**	13,075

27. LOSS PER SHARE

(a) Basic loss per share

The basic loss per share is calculated by dividing the consolidated loss for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021	2020
Loss net of tax, attributable to owners of the Company (RM'000)	**(85,192)**	(29,986)
Weighted average number of ordinary shares in issue ('000)	**332,421**	332,421
Basic loss per share (sen)	**(25.63)**	(9.02)

(b) Diluted loss per share

The Group has no dilution in their loss per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

28. FINANCIAL GUARANTEES

	Company	
	2021	2020
	RM'000	RM'000
Unsecured		
Corporate guarantees to licensed banks for banking facilities granted to subsidiary companies	**40,060**	52,656

29. RELATED PARTY DISCLOSURES

(a) Identifying 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 the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties 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 comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Management fees charged to subsidiary companies	**-**	-	**1,200**	1,200
Professional fees paid or payable to companies in which certain directors of the Company have substantial financial interest	**580**	183	**115**	93

(c) Compensation of key management personnel

The remuneration of Directors and other members of key management are disclosed in Note 24.

30. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an on-going basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured and how income and expense including fair value gain or losses are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2021			
Group			
Financial assets			
Trade and other receivables	40,372	-	40,372
Deposits, bank and cash balances	10,564	-	10,564
	50,936	-	50,936
Financial liabilities			
Trade and other payables	-	21,919	21,919
Lease liabilities	-	875	875
Bank borrowings	-	36,088	36,088
Bank overdraft	-	3,972	3,972
	-	62,854	62,854
Company			
Financial assets			
Other receivables	30	-	30
Amount due from subsidiary companies	114,689	-	114,689
Deposits, bank and cash balances	73	-	73
	114,792	-	114,792
Financial liabilities			
Other payables	-	10,008	10,008
Amount due to subsidiary companies	-	8,584	8,584
Lease liabilities	-	74	74
	-	18,666	18,666

	Financial asset at FVTOCI RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
2020				
Group				
Financial assets				
Other investment	1,000	-	-	1,000
Trade and other receivables	-	830	-	830
Deposits, bank and cash balances	-	10,440	-	10,440
	1,000	11,270	-	12,270
Financial liabilities				
Trade and other payables	-	-	27,273	27,273
Lease liabilities	-	-	1,201	1,201
Bank borrowings	-	-	48,670	48,670
Bank overdraft	-	-	3,986	3,986
	-	-	81,130	81,130
Company				
Financial assets				
Other receivables	-	168	-	168
Amount due from subsidiary companies	-	117,898	-	117,898
Deposits, bank and cash balances	-	359	-	359
	-	118,425	-	118,425
Financial liabilities				
Other payables	-	-	7,953	7,953
Amount due to subsidiary companies	-	-	8,735	8,735
Lease liabilities	-	-	128	128
	-	-	16,816	16,816

(b) Financial risk management objective and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit, liquidity, foreign currency, interest rate and market price risks.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Risk and Management Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the financial year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken. The Group and the Company do not apply hedge accounting.

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

(i) 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 its receivables from customers, other investment and deposits with licensed banks. The Company's exposure to credit risk arises principally from amount due from subsidiary companies and financial guarantees given to banks for banking facilities granted to subsidiary companies. There are no significant changes as compared to prior year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties. Deposits with licensed banks and other investment are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The exposure to credit risk is monitored on an on-going basis and action will be taken for long outstanding debts.

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

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

The carrying amounts of the financial assets recorded in the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees given to banks for banking facilities granted to subsidiary companies.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credit risks except for amount due from subsidiary companies where risks of default have been assessed to be low.

Financial guarantee

The Company provides unsecured financial guarantees to banks for banking facilities granted to subsidiary companies. The Company monitors on an on-going basis the results of the subsidiary companies and repayments made by the subsidiary companies.

The Company's maximum exposure in this respect is RM40,060,000 (2020: RM52,656,000), representing the outstanding banking facilities of the subsidiary companies as at reporting date. There was no indication that any subsidiary companies would default on repayment as at the reporting date.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short-term fundings so as to achieve overall cost effectiveness.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which the Group and the Company are required to pay.

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	More than 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group						
2021						
Non-derivative financial liabilities						
Trade and other payables	**21,919**	**-**	**-**	**-**	**21,919**	**21,919**
Lease liabilities	**414**	**349**	**161**	**11**	**935**	**875**
Bank borrowings	**5,381**	**7,175**	**21,525**	**10,336**	**44,417**	**36,088**
Bank overdraft	**3,972**	**-**	**-**	**-**	**3,972**	**3,972**
	31,686	**7,524**	**21,686**	**10,347**	**71,243**	**62,854**
2020						
Non-derivative financial liabilities						
Trade and other payables	27,273	-	-	-	27,273	27,273
Lease liabilities	494	393	387	30	1,304	1,201
Bank borrowings	2,978	18,440	20,082	16,337	57,837	48,670
Bank overdraft	3,986	-	-	-	3,986	3,986
	34,731	18,833	20,469	16,367	90,400	81,130

	On demand or within 1 year RM'000	1 to 2 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Company				
2021				
Non-derivative financial liabilities				
Other payables	**10,008**	**-**	**10,008**	**10,008**
Amount due to subsidiary companies	**8,584**	**-**	**8,584**	**8,584**
Lease liabilities	**56**	**27**	**83**	**74**
Financial guarantee*	**40,060**	**-**	**40,060**	**-**
	58,708	**27**	**58,735**	**18,666**

	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
2020					
Non-derivative financial liabilities					
Other payables	7,953	-	-	7,953	7,953
Amount due to subsidiary companies	8,735	-	-	8,735	8,735
Lease liabilities	56	56	32	144	128
Financial guarantee*	52,656	-	-	52,656	-
	69,400	56	32	69,488	16,816

* Based on the maximum amount that can be called for under the financial guarantee contract. At the reporting date, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised as the probability of the subsidiary companies defaulting on their banking facilities is remote.

(iii) Market risks

(1) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates.

The foreign currency exposure of the Group is minimal as the Group has an insignificant level of international operations.

(2) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at banks and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	2021 RM'000	2020 RM'000
Group		
Fixed rate instruments		
Financial asset		
Fixed deposits with licensed banks	**3,495**	3,451
Financial liability		
Lease liabilities	**875**	1,201
Floating rate instruments		
Financial liabilities		
Bank borrowings	**36,088**	48,670
Bank overdraft	**3,972**	3,986
	40,060	52,656
Company		
Fixed rate instrument		
Financial liability		
Lease liabilities	**74**	128

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

At the reporting date, if interest rates had been 20 basis points lower/higher, with all other variables held constant, the Group's loss net of tax would have been lower/higher by RM80,000 (2020: RM105,000) as a result of lower/higher interest expense on floating rate borrowings.

(iv) Market price risk

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than interest or exchange rates).

The Group and the Company do not have any significant exposure from the risk of changes in prices.

(c) Fair value of financial instruments

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

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

The carrying amounts of the financial asset of the Group and of the Company at the reporting date reasonably approximate their fair value except as follows:

	2021		2020	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Financial asset				
Other investment	-	-	1,000	*

* It is not practicable to estimate the fair value of the unquoted investment due to lack of quoted market prices and without incurring excessive costs.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' values.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may return capital to shareholders or issue new shares.

Total capital managed at Group and Company level comprises shareholders' equity, deposits, bank and cash balances, lease liabilities, bank borrowings and bank overdraft.

The gearing ratios at the end of the reporting period are as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Bank borrowings (Note 18)	**36,088**	48,670	**-**	-
Lease liabilities (Note 17)	**875**	1,201	**74**	128
Bank overdraft	**3,972**	3,986	**-**	-
Total borrowings	**40,935**	53,857	**74**	128
Less: Deposits, bank and cash balances (Note 12)	**(10,564)**	(10,440)	**(73)**	(359)
Net debt/(cash)	**30,371**	43,417	**1**	(231)
Total equity	**298,152**	379,868	**173,146**	181,477
Gearing ratio	**0.10**	0.11	**0.00001**	*

* *Gearing ratio is not presented as the Company is in net cash position as at 31 December 2020.*

There were no changes in the Group's and the Company's approach to capital management during the current financial year.

32. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(a) Property – land and property investment

(b) Hotel – operation of hotel

(c) Corporate – group-level corporate services and treasury functions

The management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Analysis by geographical segments are not presented as the Group principally operates in Malaysia.

	Property		Hotel		Corporate		Adjustments and eliminations			Per consolidated financial statements	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020		**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**Note**	**RM'000**	RM'000
Revenue											
External customers	**2,774**	2,819	**6,504**	8,536	**-**	-	**-**	-		**9,278**	11,355
Inter-segment	**-**	-	**-**	-	**1,200**	1,200	**(1,200)**	(1,200)	(i)	**-**	-
Total revenue	**2,774**	2,819	**6,504**	8,536	**1,200**	1,200	**(1,200)**	(1,200)		**9,278**	11,355
Results											
Depreciation of:											
- property, plant and equipment	**(1,377)**	(2,015)	**(3,537)**	(3,575)	**(142)**	(180)	**-**	-		**(5,056)**	(5,770)
- right-of-use assets	**(2,152)**	(2,271)	**(3,642)**	(3,675)	**(54)**	(54)	**-**	-		**(5,848)**	(6,000)
Other non-cash (expense)/income	**(58,276)**	(4,582)	**(4,277)**	4	**(1,431)**	(418)	**-**	-	(ii)	**(63,984)**	(4,996)
Segment loss	**(82,487)**	(16,347)	**(10,796)**	(7,116)	**(5,570)**	(4,153)	**(3,410)**	(3,448)	(iii)	**(102,263)**	(31,064)
Assets											
Additions to:											
- property, plant and equipment	**15**	338	**15**	854	**-**	-	**-**	-		**30**	1,192
- right-of-use assets	**-**	-	**40**	-	**-**	-	**-**	-		**40**	-
Segment assets	**283,460**	397,472	**127,718**	132,598	**593**	2,294	**-**	-		**411,771**	532,364
Segment liabilities	**56,877**	98,701	**37,763**	35,794	**18,979**	18,001	**-**	-		**113,619**	152,496

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

(i) Inter-segment revenue are eliminated on consolidation.

(ii) Other non-cash (expense)/income consist of the following items as presented in the respective notes to the financial statements:

	2021	2020
	RM'000	RM'000
Gain on disposal of property, plant and equipment	**-**	181
Impairment losses on:		
- goodwill	**(8,927)**	-
- other receivables (third parties)	**(50)**	(226)
- trade receivables (third parties)	**(2)**	-
Loss on disposal of assets held for sale	**-**	(500)
Other investment written off	**(1,000)**	-
Property development costs written off	**(53,624)**	(4,083)
Provision for corporate guarantee loss	**(471)**	(373)
Reversal of impairment losses on:		
- property, plant and equipment	**90**	-
- trade receivables (third parties)	**-**	5
	(63,984)	(4,996)

(iii) Reconciliation of segment loss:

	2021	2020
	RM'000	RM'000
Segment loss	**(98,853)**	(27,616)
Finance costs	**(3,483)**	(3,604)
Interest income	**73**	156
Loss before tax	**(102,263)**	(31,064)

33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including cash and non-cash changes.

	At 1 January RM'000	*Net financing cash flows RM'000	New lease RM'000	Interest capitalised RM'000	At 31 December RM'000
2021					
Group					
Bank borrowings (Note 18)	48,670	**(15,000)**	**-**	**2,418**	**36,088**
Lease liabilities (Note 17)	1,201	**(366)**	**40**	**-**	**875**
	49,871	**(15,366)**	**40**	**2,418**	**36,963**
Company					
Lease liabilities (Note 17)	128	**(54)**	**-**	**-**	**74**

	At 1 January RM'000	*Net financing cash flows RM'000	Interest capitalised RM'000	At 31 December RM'000
2020				
Group				
Bank borrowings (Note 18)	33,748	13,376	1,546	48,670
Lease liabilities (Note 17)	1,519	(318)	-	1,201
	35,267	13,058	1,546	49,871
Company				
Lease liabilities (Note 17)	153	(25)	-	128

* The net financing cash flows comprise net amount of proceeds from or repayment of bank borrowings and lease liabilities in the statements of cash flows.

34. SIGNIFICANT EVENT

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak as a pandemic in recognition of its rapid spread across the globe. To contain the spread of the virus, Malaysia and most countries have imposed international border closure, travel restriction, lockdown, social distancing and other public health measures. These have severely affected business and economic activities in Malaysia and various other countries.

During the current financial year, the Group's business operations continued to be adversely impacted by a series of lockdown, prolonged closure of international borders and strict social distancing regulations amid the resurgence of Covid-19 infections and new variants of the virus. The Group has taken into account the fallout and impact of the pandemic on the financial performance for the current financial year.

On 1 April 2022, Malaysia entered the "Transition to Endemic" phase of Covid-19 with most of the public health measures and restrictions uplifted. The Group will continue to actively manage its business operations to minimize any negative impact arising from the Covid-19 pandemic.

35. COMPARATIVE FIGURES

The following comparative figures have been reclassified to be consistent with current year's presentation:

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Statements of profit or loss and other comprehensive income			
Group			
Other expenses	-	(4,583)	(4,583)
Operating and administrative expenses	(32,898)	4,583	(28,315)
Company			
Other expenses	-	(396)	(396)
Operating and administrative expenses	(4,421)	396	(4,025)
Segment information			
Segment assets			
Property	394,891	2,581	397,472
Hotel	128,322	4,276	132,598
Corporate	9,151	(6,857)	2,294

Location of Properties	Description	Date of Revaluation/ Acquisition*	Expiration of Lease	Land Area (Acres)	Lettable Area (Sq. Ft.)	Approximate Age of Building (Years)	Net Carrying Amount (RM'000)
Lot 51, Section 27, Town of Petaling Jaya, Selangor	21 storey hotel tower with 257 rooms on top of a 4 storey podium with basement car park *known as Hotel Armada Petaling Jaya*	December 2021	6 February 2071	2.44	95,916	25	163,250
Lots PTD 239921-239924, PTD 239934 Mukim of Plentong, Johor	Vacant land	December 2021	Freehold	60.62	N/A	N/A	148,900
Lots PTD 61083 - 61084, PTD 61092 - 61131, PTD 61133 - 61283, PTD 61293 - 61294, PTD 61304 - 61344, PTD 76869 - 76870, Mukim of Senai-Kulai, Johor	Vacant land	January 1992*	Freehold	33.38	N/A	N/A	12,163
Lots 1589 and 1592, Mukim of Tebrau, Johor	Vacant land	December 2021	Freehold	4.14	N/A	N/A	15,300
Lot PT 78700, Mukim of Petaling, District of Petaling, Selangor	Vacant land	September 2021	27 May 2097	0.72	N/A	N/A	700
Lot PT 78701, Mukim of Petaling, District of Petaling, Selangor	Vacant land	September 2021	27 May 2097	1.65	N/A	N/A	5,800
Unit 3-9-A No. 2 Jalan Pelita, Wadihana, 80300 Johor Bahru, Johor	1 unit apartment *known as Pelita Indah Condominium*	May 1995*	Freehold	Strata title	1,685	27	104
Units 074-1 and 074-2, Block G, Persiaran Palm Spring Resort, 71250 Pasir Panjang, Port Dickson, Negeri Sembilan	2 units apartments *known as Palm Springs Apartments*	December 2021	Freehold	Strata title	2,734	20	90

STATISTICS OF SHAREHOLDINGS
AS AT 1 APRIL 2022

SHARE CAPITAL

Total number of issued shares	361,742,241
Adjusted total number of issued shares	332,420,541*
Class of shares	Ordinary share
Voting rights	1 vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	832	10.18	36,700	0.01
100 - 1,000	2,719	33.26	1,882,839	0.57
1,001 - 10,000	3,889	47.58	13,542,903	4.07
10,001 - 100,000	647	7.92	19,647,259	5.91
100,001 - 16,621,026 (i)	85	1.04	77,174,543	23.22
16,621,027 and above (ii)	2	0.02	220,136,297	66.22
Total	8,174	100.00	332,420,541	100.00

(i) Less than 5% of the total number of issued shares
(ii) 5% and above of the total number of issued shares

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2022
(as shown in the Register of Substantial Shareholders)

		Direct Interest		Indirect Interest	
	Name	No. of Shares	%*	No. of Shares	%*
1.	CHRISTINE HOLDING SDN BHD	196,920,197	59.24	-	-
2.	DATO' YAP SING HOCK	-	-	196,920,197#	59.24

DIRECTORS' SHAREHOLDINGS AS AT 1 APRIL 2022
(as shown in the Register of Directors' Shareholdings)

	Direct Interest		Indirect Interest	
Name	No. of Shares	%*	No. of Shares	%*
YEOH CHONG KEAT	-	-	-	-
DATO' YAP SING HOCK	-	-	196,920,197#	59.24
YAP TSE YEENG CHRISTINE	-	-	-	-
CHEONG MARN SENG	720,500	0.22	-	-
DR. TEOH KIM LOON	-	-	-	-
DATO' TEA CHOO KENG	-	-	-	-

* Excluding 29,321,700 ordinary shares purchased by the Company and retained as treasury shares.
\# Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016.

LIST OF THIRTY LARGEST SHAREHOLDERS AS AT 1 APRIL 2022

	Name	No. of Shares	%
1.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Christine Holding Sdn Bhd	196,920,197	59.24
2.	GRACE VUN SIAW NEI	23,216,100	6.98
3.	KONG KOK KEONG	13,728,600	4.13
4.	MIDF AMANAH INVESTMENT NOMINEES (ASING) SDN BHD for Lazarus Securities Pty Ltd for Lazarus Capital Partners Global Equities Fund	9,418,700	2.83
5.	CHIN KHEE KONG & SONS SENDIRIAN BERHAD	5,458,600	1.64
6.	TA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lim Yew Keng	4,273,800	1.29
7.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Yong Loy Huat (7000875)	3,500,000	1.05
8.	POLYWELL ENTERPRISE SENDIRIAN BERHAD	3,000,000	0.90
9.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Imran Ho Bin Abdullah	2,550,000	0.77
10.	ONG BEE LIAN	2,360,500	0.71
11.	PERUSAHAAN SAUDEE SDN BHD	2,155,700	0.65
12.	LIANG TEH HAI	1,800,000	0.54
13.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Lim Ang Lay (MY2496)	1,762,150	0.53
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Grace Vun Siaw Nei (MQ0687)	1,500,000	0.45
15.	CHIN KIAN FONG	1,358,500	0.41
16.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Chin Kiam Hsung	1,064,800	0.32
17.	YU LIAN HAI	1,050,000	0.32

	Name	No. of Shares	%
18.	CITIGROUP NOMINEES (ASING) SDN BHD Exempt An for OCBC Securities Private Limited (Client A/C-NR)	962,875	0.29
19.	PANG KIA NAM	950,700	0.29
20.	TAN YEE MING	944,400	0.28
21.	KONG TIAM MING	920,000	0.28
22.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Tan Li Li (6000361)	810,000	0.24
23.	UOB KAY HIAN NOMINEES (ASING) SDN BHD Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	770,381	0.23
24.	CHEONG MARN SENG	720,500	0.22
25.	ONG BEE LIAN	699,500	0.21
26.	CHIN SIN LIN	631,300	0.19
27.	TAN AH MOI	630,400	0.19
28.	LOOI LAI YEE	577,000	0.17
29.	RHB NOMINEES (TEMPATAN) SDN BHD OSK Trustees Berhad for The Divine Vision Trust	554,400	0.17
30.	RHB NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account for Chin Kiam Hsung	530,200	0.16
	Total	**284,819,303**	**85.68**

LIEN HOE CORPORATION BERHAD
(Registration No: 196901000161 (8507-X))
(Incorporated in Malaysia)

No. of shares held:	
CDS account no.:	

FORM OF PROXY

I/We...
[Full name and NRIC/Company No.]

of ....
....
[Address]

being a member of LIEN HOE CORPORATION BERHAD hereby appoint *the Chairman of the meeting, or ....
....
[Full name and NRIC No.]

of...
....
[Address]

*and/or failing him/her, ...
[Full name and NRIC No.]

of...
....
[Address]

as my/our Proxy to vote for me/us on my/our behalf at the 52nd Annual General Meeting of the Company to be held at Iskandar II, Level 3A, Block 1, Hotel Jen Puteri Harbour, Johor, Persiaran Puteri Selatan, Puteri Harbour, 79000 Iskandar Puteri, Johor Darul Takzim on Friday, 17 June 2022 at 10.30 a.m. or at any adjournment thereof.

My/our proxy is to vote as indicated below :

RESOLUTION NO.	RESOLUTIONS	FOR	AGAINST
1.	To approve the Directors' fees and benefits of up to RM303,000 in respect of the period from 18 June 2022 until the conclusion of the next Annual General Meeting of the Company.		
2.	To re-elect Ms. Yap Tse Yeeng Christine as Director of the Company.		
3.	To re-elect Mr. Cheong Marn Seng as Director of the Company.		
4.	To re-appoint Messrs UHY as Auditors of the Company and to authorise the Directors to determine their remuneration.		
5.	To approve the authority for Directors to issue shares.		
6.	To approve the proposed renewal of shareholders' approval for share buy-back.		
7.	To approve the retention of Mr. Yeoh Chong Keat as Independent Non-executive Director of the Company.		
8.	To approve the retention of Dr. Teoh Kim Loon as Independent Non-executive Director of the Company.		
9.	To approve the retention of Dato' Tea Choo Keng as Independent Non-executive Director of the Company.		

Please indicate with an 'X' in the appropriate spaces on how you wish your votes to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.

The proportion of my/our shareholdings to be represented by my/our proxies are as follows (to be completed ONLY when two proxies are appointed):-

Proxy 1	%	Proxy 2	%

Dated:

____
Signature /Common Seal of Shareholder(s)

*** STRIKE OUT IF INAPPLICABLE**

NOTES:-

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting. Where a member appoints more than one proxy, such appointment shall be invalid unless the member specifies the proportion of his shareholding to be represented by each proxy.

2. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.

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.

   An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. Pursuant to paragraph 8.29A (1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice of Annual General Meeting will be conducted by poll.

5. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 10 June 2022 ("Record of Depositors") and only a depositor whose name appears on the Record of Depositors shall be entitled to attend at this meeting.

6. The form of proxy must be deposited at the Registrar's office, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not later than 48 hours before the time stipulated for holding of this meeting or any adjournment thereof.

7. The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us or our agents your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and/or authorisation of all persons whose personal data you have disclosed and/or processed, in connection with the foregoing.

Lien Hoe Corporation Berhad
3rd Floor, Plaza Armada,
Lot 6, Lorong Utara C,
Section 52, 46200 Petaling Jaya,
Selangor Darul Ehsan
Tel: 03-7955 8808
Fax: 03-7955 5808

www.lienhoe.com.my