



**TRIVE PROPERTY GROUP BERHAD**  
Registration No: 200401029337 (667845-M)



# ANNUAL REPORT 2020





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## ABBREVIATIONS

Except where the context otherwise requires, the following definition shall apply throughout this annual report:

<b>“AGM”</b>	: Annual General Meeting
<b>“Annual Report”</b>	: The Annual Report of TRIVE for the financial year ended 31 July 2020
<b>“Board” or “Directors”</b>	: The Board of Directors of Trive
<b>“Bursa Securities”</b>	: Bursa Malaysia Securities Berhad
<b>“Company” or “TRIVE”</b>	: Trive Property Group Berhad
<b>“CMSA”</b>	: The Capital Market and Services Act 2007
<b>“ESOS”</b>	: Employees Share Option Scheme
<b>“EGM”</b>	: Extraordinary General Meeting
<b>“FY 2019”</b>	: Previous financial year ended 31 July 2019
<b>“FY 2020”</b>	: Current financial year ended 31 July 2020
<b>“Group” or “Trive Group”</b>	: Collectively, ETI Tech (M) Sdn Bhd, Proper Methods Sdn Bhd, Pakadiri Sdn Bhd, Trive Property Sdn Bhd, ETI Tech International Sdn Bhd, ETI Tech Homes Sdn Bhd, Daima Fujung New Energy Technology Sdn Bhd and Avenue Escapade Sdn Bhd, the subsidiaries of TRIVE
<b>“Main LR”</b>	: Main Market Listing Requirements of Bursa Securities
<b>“MCCG”</b>	: Malaysian Code of Corporate Governance
<b>“MD&amp;A”</b>	: Management Discussion And Analysis
<b>“SC”</b>	: Securities Commission

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Dato' Haji Sohaimi Bin Shahadan**  
(Chairman/Independent Non-Executive Director)

**Dato' Kua Khai Shyuan**  
(Executive Director)

**Chen Chee Peng**  
(Independent Non-Executive Director)

**Doris Wong Sing Ee**  
(Non-Independent Non-Executive Director)

**Kang Teik Yih**  
(Independent Non-Executive Director)

### ESOS COMMITTEE

**Dato' Haji Sohaimi Bin Shahadan**  
(Chairman/Independent Non-Executive)

**Dato' Kua Khai Shyuan**  
(Member/Executive Director)

### COMPANY SECRETARIES

**Lee Peng Loon** (MACS 01258)  
**P'ng Chiew Keem** (MAICSA 7026443)

### AUDIT COMMITTEE

**Kang Teik Yih**  
(Chairman/Independent Non-Executive)

**Dato' Haji Sohaimi Bin Shahadan**  
(Member/Independent Non-Executive)

**Chen Chee Peng**  
(Member/Independent Non-Executive)

### REMUNERATION COMMITTEE

**Dato' Haji Sohaimi Bin Shahadan**  
(Chairman/Independent Non-Executive)

**Chen Chee Peng**  
(Member/Independent Non-Executive)

### NOMINATING COMMITTEE

**Dato' Haji Sohaimi Bin Shahadan**  
(Chairman/Independent Non-Executive)

**Chen Chee Peng**  
(Member/Independent Non-Executive)

### RISK MANAGEMENT COMMITTEE

**Dato' Kua Khai Shyuan**  
(Chairman/Executive Director)

**Chen Chee Peng**  
(Member/Independent Non-Executive)

### EXTERNAL AUDITORS

**Jamal, Amin & Partners** (AF 1067)  
No. 60-2B, 2nd Floor, Jalan 2/23A  
Off Jalan Genting Klang  
Taman Danau Kota, Setapak  
53300 Kuala Lumpur

### REGISTERED OFFICE

51-21-A, Menara BHL Bank  
Jalan Sultan Ahmad Shah, 10050 Penang

Tel No. 604 - 210 8833  
Fax No. 604 - 210 8831

### SHARE REGISTRARS

**Securities Services (Holdings) Sdn Bhd**  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur

Tel No. 603 - 2084 9000  
Fax No. 603 - 2094 9940

### STOCK EXCHANGE LISTING

Main Market of Bursa Securities

Stock Name : TRIVE  
Stock Code : 0118

## CORPORATE STRUCTURE



TRIVE is principally involved in investment holding. The principal activities of the Group as at 31 October 2020 are as follows:

Name	Date	Place of Incorporation	Principal activities
ETI Tech (M) Sdn Bhd	30.07.2002	Malaysia	Trading, design and marketing of battery management system for rechargeable energy storage solutions.
Proper Methods Sdn Bhd	11.11.2013	Malaysia	Property development, construction and property investment sectors
Pakadiri Sdn Bhd	12.03.1986	Malaysia	Housing Developer
Trive Property Sdn Bhd	08.06.2015	Malaysia	Dormant
ETI Tech International Sdn Bhd	14.03.2006	Malaysia	Dormant
ETI Tech Homes Sdn Bhd	03.01.2012	Malaysia	Dormant
Daima Fujing New Energy Technology Sdn Bhd	19.10.2015	Malaysia	Dormant
Avenue Escapade Sdn Bhd	12.02.2015	Malaysia	Investment Holding
Trive Energy Technology Holdings Limited	03.08.2017	Hong Kong	Investment Holding

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 14th AGM of TRIVE will be conducted entirely through live streaming at the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 13 January 2021 at 11.00 a.m. for the following purposes:-

## AGENDA

### As Ordinary Business

- |   |                               |
|---|-------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 July 2020 together with the Reports of Directors and Auditors thereon.   | <b>Please refer to Note 6</b> |
| 2. To re-elect Chen Chee Peng, a Director who retires by rotation in accordance with Article 112 of the Company's Constitution and who, being eligible, offers himself for re-election.                 | <b>Ordinary Resolution 1</b>  |
| 3. To re-elect Kang Teik Yih, a Director who retires in accordance with Article 119 of the Company's Constitution and who, being eligible, offers himself for re-election.                              | <b>Ordinary Resolution 2</b>  |
| 4. To approve the payment of Directors' Fees for the financial year ended 31 July 2020.   | <b>Ordinary Resolution 3</b>  |
| 5. To approve the payment of Directors' Benefits up to an amount not exceeding RM30,000/- from the 14 <sup>th</sup> AGM until the conclusion of the 15 <sup>th</sup> AGM of the Company.                | <b>Ordinary Resolution 4</b>  |
| 6. To re-appoint Messrs. Jamal, Amin & Partners as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. | <b>Ordinary Resolution 5</b>  |

### As Special Business

To consider and if thought fit, to pass with or without modifications, the following ordinary/special resolutions:

- |   |                              |
|---|------------------------------|
| 7. <b>AUTHORITY TO ALLOT AND ISSUE NEW SHARES</b> | <b>Ordinary Resolution 6</b> |
|---|------------------------------|

"THAT, subject to the approvals of the regulatory authorities, the Board of Directors of the Company be hereby authorised pursuant to Sections 75 and 76 of the Companies Act 2016, to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 20% of the total number of issued shares of the Company.

AND THAT any Executive Director and/or Secretary of the Company be hereby authorised to obtain the approval from Bursa Securities for the listing and quotation of the additional shares to be issued and to do all such acts and things necessary to give full effect to such transactions as authorised by this resolution.

AND THAT, such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company."

## Notice of Annual General Meeting

(Cont'd)

### 8. PROPOSED ALTERATION OR AMENDMENT OF THE COMPANY'S CONSTITUTION

**Special Resolution 1**

"THAT the existing Article 98 and Article 99(a) of the Company's Constitution be amended as follows:-

#### Article 98

The instrument appointing a proxy with the power of attorney or other authority, if any under which it is signed or a notarially certified or certified by the secretary of such power or authority, shall be deposited at the Office or at such other place within Malaysia as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting, as the case may be, at which the person named as proxy in such instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

#### Article 99(a)

A vote given in accordance with the terms of an instrument of proxy or attorney shall be valid, notwithstanding the previous determination of the authority of the person voting unless the Company receives a notice of the termination at the Office at least 24 hours before the commencement of the meeting or adjourned meeting at which the vote is given or in the case of a poll taken otherwise than on the same day as the meeting or adjourned meeting, at least 24 hours before the time appointed for taking of the poll.

9. To transact any other business of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act, 2016.

FURTHER NOTICE IS HEREBY GIVEN THAT only a depositor whose name appears on the Record of Depositors as at 07 January 2021 shall be entitled to attend and vote at the forthcoming 14<sup>th</sup> AGM or appoint proxies to attend and vote on his/her behalf.

By Order of the Board,

**LEE PENG LOON (MACS 01258)**  
**P'NG CHIEW KEEM (MAICSA 7026443)**  
Secretaries

Date: 30 November 2020  
Penang

## Notice of Annual General Meeting

(Cont'd)

### NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The proxy form transmitted by facsimile or electronic mail will not be accepted unless the original copy is received at the registered office during the office hour a day before the meeting.
3. A member shall be entitled to appoint of up to a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("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. Where a member is an Exempt Authorised Nominee, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

### EXPLANATORY NOTES ON ORDINARY BUSINESS

6. The Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the shareholders' approval for the Audited Financial Statements. Hence, the Agenda 1 is not put forward for voting.
7. The Ordinary Resolutions 3 and 4, if passed, will enable the Company to pay fees and other benefits to the Directors of the Company in accordance with Section 230(1) of the Companies Act 2016.

### EXPLANATORY NOTES ON SPECIAL BUSINESS

8. The Ordinary Resolution 6, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 20% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM (20% General Mandate).

The Directors are of the view that the 20% General Mandate is in the best interest of the Company and the shareholders as it will provide additional flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares to meet the funding requirements such as working capital and/or operational expenditure of the Company, expeditiously and efficiently during this challenging time to ensure long-term sustainability and interest of the Company and its shareholders.

As at the date of this notice, a total of 305,043,000 ordinary shares were issued and allotted pursuant to the general mandate granted at the last AGM of the Company. The total proceeds of RM2,501,352.60 had been utilized by the Group for working capital requirements as well as to defray the expenses relating to the placement of shares.

9. The Special Resolution 1, if passed, will enable the Article 98 and Article 99(a) of the existing Constitution of the Company be amended for enhancing administrative efficiency.

# STATEMENT ACCOMPANYING NOTICE OF AGM

(Pursuant to Paragraph 8.27(2) of Main LR of Bursa Securities)

## ELECTION OF DIRECTORS

- 1) No individuals are standing for election as Directors at the forthcoming 14<sup>th</sup> AGM of the Company.
- 2) The profile of the Director who is standing for re-election as in Agenda 2 and 3 of the Notice of the 14<sup>th</sup> AGM of the Company is set out in the Directors' Profile section of this Annual Report.
- 3) The Director who is standing for re-election at the forthcoming 14<sup>th</sup> AGM does not hold shares in the Company.

## GENERAL MANDATE FOR ISSUANCE OF SHARES

The Resolution 6 tabled under Special Business as per the Notice of the 14<sup>th</sup> AGM of the Company dated 30 November 2020 is a renewal of general mandate granted by shareholders of the Company at the last AGM held on 13 January 2020.

The Board however, decided to seek a higher general mandate under paragraph 6.03 of the Main LR of Bursa Securities of not more than 20% of the total number of issued shares (excluding treasury shares) of the Company for issuance of new securities ("20% General Mandate").

The Board is of the view that the 20% General Mandate is in the best interest of the Company and the shareholders as it will provide additional flexibility to the Company for any possible fund raising activities, including but not limited to placing of shares to meet the funding requirements such as working capital and/or operational expenditure of the Company, expeditiously and efficiently during this challenging time to ensure long-term sustainability and interest of the Company and its shareholders.

As at the date of the notice of 14<sup>th</sup> AGM, a total of 305,043,000 ordinary shares were issued and allotted pursuant to the general mandate granted at the last AGM of the Company. The total proceeds of RM2,501,352.60 had been utilized by the Group for working capital requirements as well as to defray the expenses relating to the placement of shares.

## MANAGEMENT DISCUSSION AND ANALYSIS

This Statement contains the MD&A of the performance of the Group for FY2020 and should be read in conjunction with the Audited Financial Statements of the Company for FY2020 as set out in the ensuing sections of this Annual Report.

### ECONOMIC OVERVIEW

According to Bank Negara Malaysia (“BNM”), Malaysia’s economy contracted by 17.1% in the second quarter of year 2020 mainly due to the movement control order (MCO) enforced during the first half of year 2020. This is Malaysia’s worst performance on record and first quarterly decline since the third period of 2009, amid the global financial crisis.

The worldwide lockdowns and travel bans restrictions in many countries had disrupted the global supply chain and demand.

Although BNM has revised its projected a full-year contraction to 3.5% - 5.5% before a rebound to 5.5% - 8.0% growth next year, the recovery of the country economy is still largely depends on the successful of containment of Covid-19 pandemic and the effectiveness of the Government’s economy stimulation packages in spurring economy growth.

### OVERVIEW OF THE GROUP

The financial year under review was challenging for the Group. With the outbreak of the Covid-19, all the industries across Malaysia and the world were significantly affected following the disturbance of the supply and demand chain. The Group encountered significant disruption in business in all business segments and would expected a weaker-than-expected recovery in growth pose downside risks to growth. The Group encountered a significant decrease in revenue of Solar division (2020: RM2.80 million; 2019: RM4.19 million) but this is partly offset by the increase contribution from Property division as compared to year 2019 (2020: RM1.59 million; 2019: RM nil) following the diversification of the Group’s activity into property investment sector via the acquisition of Avenue Escapade Sdn. Bhd. (“AESB”) which was completed on 13 September 2019. Office buildings located in good areas with proximity or within city transit hubs were amongst those which were in demand and received higher rental rates. In leverage with the market demand and the stimulus package introduced by the Government, the Group decide to penetrate further into the property market via acquiring the full interest in Avenue Escape Sdn. Bhd. to access to full control of Persoft Tower in which might yield a remarkable benefits to the shareholders including the potential rental income and capital appreciation of the Persoft Tower due to its prime location. At the conclusion of this report, Menara Persoft, owned by AESB, comprises 25 units of stratified offices, one unit of lower and upper penthouse together with 249 car park bays within a 19-storey commercial office building and with Multimedia Super Corridor Status. In FYE 2020, Menara Persoft recorded occupancy rate of 37%. The rental income generated had contributed positively to the revenue of the Group as one of the main source of income. Despite the challenges from the pandemic of Covid-19, the Group would expect all the efforts and measures that the Group taken continuously improve its financial performance and to enhance value for the Shareholders moving forward.

## Management Discussion and Analysis

(Cont'd)

### FINANCIAL REVIEW

The Group recorded a total revenue of RM4.39 million with a loss before taxation of RM5.46 million for FY 2020 as compared to the revenue of RM4.19 million and a loss before taxation of RM5.47 million in preceding FY2019. The increase in the revenue was mainly contributed by the rental income generated through renting the offices in Menara Persoft of RM1.59 million where no such revenue contribution in FYE 2019. The increase in the revenue however was mitigated by the challenge faced by the trading of solar equipment which saw a decrease in the income generated from RM4.19 million in FYE 2019 to RM2.80 million in FYE 2020, a decrease of 33% in the revenue of this division. There was not much different in the loss before taxation where the Group recorded loss before taxation of RM5.46 million and RM5.47 million respectively for both FYE 2020 and FYE 2019 despite the Group has started to incur finance costs of RM1.53 million in FYE 2020 in which there was no such expense in FYE 2019. The finance costs were in respect of term loan interest incurred for the loan taken to finance the construction of Menara Persoft in previous years. Furthermore, there was also an increase in the depreciation charges from RM0.31 million in FYE 2019 to RM1.37 million in FYE 2020. The impact of the increase in finance costs and depreciation charges were however mitigated by the decrease in impairment losses provided. The impairment loss provided for property, plant and equipment during the year was RM0.15 million as opposed to impairment loss of RM1.72 million provided for property, plant and equipment as well as the other investments in FYE 2019.

The Group recorded loss after taxation of RM5.48 million at the back of the tax expense of RM0.02 million as opposed to loss after taxation of RM5.47 million in FYE 2019 with no tax expense incurred. The loss per share in FYE 2020 was 0.18 Sen which was lower than the loss per share of 0.24 Sen in FYE 2019 as a result of more shares were issued by the Company through the private placement exercises

	Audited 31.07.2020 RM'Million	Audited 31.07.2019 RM'Million	Changes RM'Million	%
Non-current assets	115.79	48.05	67.74	141
Current assets	10.37	23.72	(13.35)	(56.28)
Current liabilities	14.00	4.75	9.25	195

The significant increase in non-current assets were contributed by the investment properties, i.e. the Menara Persoft as well as the goodwill of the Group as a result of the acquisition of AESB.

The decrease in current assets was due to the absence of the deposit placed to acquire AESB in FYE 2019 prior to the completion of the acquisition of AESB. Furthermore, the decrease in current assets also attributed to the improvement in the collection from the trade receivables where the debtor balances has been reduced from RM6.38 million in FYE 2019 to RM4.02 million in FYE 2020 while the cash and cash equivalents of the Group increases from RM3.40 million in FYE 2019 to RM6.15 million in FYE 2020.

The non-current liabilities of the Group represent the long term loan taken by AESB to finance the construction of Menara Persoft in previous years.

The increase in current liabilities of the Group was mainly due classification of the current portion of the term loan in AESB of RM3.65 million and the increase in trade and other payables as well as accruals. The creditor balances increased from RM4.19 million in FYE 2019 to RM6.52 million in FYE 2020. The other payables and accruals of the Group had also increased from RM0.41 million in FYE 2019 to RM3.25 million in FYE 2020 respectively. The increase in creditors' balance was due to the increase of business activities during the year while the increase in other payables and accruals was caused by the increase of other payables from the property segment.

## Management Discussion and Analysis

(Cont'd)

	Audited 31.07.2020 RM'Million	Audited 31.07.2019 RM'Million	Changes RM'Million	%
Net cash from/(used in) operating activities	15,034	(15,024)	30,058	200
Net cash from investing activities	(19,911)	-	(19,911)	100
Net cash from financing activities	7,625	2,922	4,703	161
Net increase/(decrease) in cash & cash equivalent	6,148	3,401	2,747	81

For FY2020, net cash from operating activities represented an inflow of RM15.034 million as compared to an outflow of 12-months period ended 31 July 2019 of RM15.024 million. This was mainly due to recovery from the trade and other receivables during the year.

For financing activities, there were subscriptions of shares during FY2020 amounting to RM10.235 million which in turn push up the cash & cash equivalent as at 31 July 2020 to RM6.148 million.

**RISK MANAGEMENT**

Albeit with the outbreak of the covid-19, the management will use its best endeavours to take all reasonable steps to continuously provide and enhance its risk management systems towards enhance value for the Shareholders moving forward. Further details are set out in the Statement on Risk Management and Internal Control section of this Annual Report.

**PROSPECTS & OUTLOOK**

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth. The Government introduced several measures aimed to improve economic as well as market activities under Budget 2020 which might stimulate Malaysia's economy and mitigate the impact of COVID-19 and the MCO, With the Prihatin Rakyat Economic Stimulus Package or PRIHATIN and new short-term Economic Recovery Plan or Penjana introduced by the Government, the property market is more than likely to remain soft for the rest of the second half 2020. The pace of improvement, will be depend on both domestic and external factors such as political stability, global oil and commodity prices as well as the COVID-19 pandemic development.

**DIVIDEND**

The Group does not have a policy with regards to dividend. The payment of dividend shall depend upon the Group's earnings, capital commitments and general financial situations.

**APPRECIATION**

The Management of TRIVE sincerely extends its appreciation to all shareholders, customers, suppliers, bankers, business associates and other stakeholders for your valuable support to the Group. The Management also wishes to express its heartfelt appreciations to the entire team of TRIVE for their continuous devotion, contribution, commitment and hard work to the Group.

For and on behalf of the Executive Management,

**DATO' KUA KHAI SHYUAN**  
Executive Director

## DIRECTORS' PROFILE

**DATO'  
HAJI SOHAIMI  
BIN SHAHADAN,  
JP, DIMP, ADK**

*Malaysian Male, Aged 51*

*Independent  
Non-Executive Chairman*

**Dato' Haji Sohaimi Bin Shahadan** was appointed to the Board of TRIVE on 09 February 2018. He is the Chairman of the Nominating Committee, Remuneration Committee and ESOS Committee; and a member of the Audit Committee.

Dato' Haji Sohaimi graduated from University Pertanian Malaysia with Masters in Corporate Communication, West Coast Institute Technology and Management, Perth, Australia with Masters in Business Administration, University Kebangsaan Malaysia with Bachelor in Business Administration.

Dato' Haji Sohaimi has been appointed to several key positions in public listed companies as well as private companies where he accumulated invaluable exposures and participations in businesses and entrepreneurships. Currently, he is the Independent Non-Executive Chairman of Nextgreen Global Berhad. He is also the Executive Director of Quantum Solar Park, Malaysia, the Group Chairman of LeBlanc Berhad, the Chairman of Consolidated Fertiliser Corporation Sdn Bhd and the Chairman of Hitech Construction Sdn Bhd.

Dato' Haji Sohaimi was the Independent Non-Executive Chairman of PDZ Holdings Berhad from 2014 to 2017, EKA Noodles Berhad from 2014 to 2017, the Independent Non-Executive Director of KUB Malaysia Berhad from 2014 to 2015 and the Independent Non-Executive Director of Damansara Realty Berhad from 2014 to 2015. He was also the Chairman of Pelaburan MARA Berhad (PMB) from 2014 to 2015, an investment entity for Majlis Amanah Rakyat (MARA) Pelaburan MARA Berhad (PMB), an investment entity for Majlis Amanah Rakyat (MARA) and the former Chairman of Kraftangan Malaysia from 2011 to 2014.

While engaging in his business, Dato' Haji Sohaimi is also passionate in the political arena and holds several positions since 2013 in UMNO Supreme Council Members as follows:

- 1) EXCO, UNMO Youth Malaysia (2009-2013)
- 2) Chairman of UMNO Youth Economy and Entrepreneurial Bureau (BEPU) (2009-2013)
- 3) UMNO Youth Chief, Selayang Division, Selangor (2008-2013)
- 4) Committee Member, UMNO Selayang Division, Selangor (2001-2008)
- 5) Committee Member, Bureau of Youth Culture & Heritage Malaysia (2004-2008)
- 6) UMNO Youth Chief, Batu 20, Kuang Branch, Selayang (1990-2008)

He does not have family relationships with any Director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2020.

## Directors' Profile

(Cont'd)

### **DATO' KUA KHAI SHYUAN**

*Malaysian Male, Aged 36*

*Executive Director / Senior  
Management*

**Dato' Kua Khai Shyuan** was appointed to the Board of TRIVE on 02 October 2015. He is also the Chairman of Risk Management Committee and a member of ESOS Committee.

He holds a Bachelor Degree in Commerce Management and Marketing from Curtin University of Technology.

He began his career in year 2007 as the Regional Manager for Malaysia Region in a Multinational healthcare company where he is responsible for the management of the overall mobile sales team as well as the supply chain management of the company's products range. In year 2009, he joined a Malaysian based company specialising in the fabrication of plastic moulds and plastic injection moulding as the Head of Marketing Division.

Currently, he serves as the Executive Director of DGB Asia Berhad, where his role includes assisting the Group Managing Director in charting the overall strategy and direction of the Group as well as customer relationship management. He also sits on the Board of M N C Wireless Berhad and Metronic Global Berhad as Non-Independent Non-Executive Director.

He does not have family relationships with any Director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during FY2020.

### **CHEN CHEE PENG**

*Malaysian Male, Aged 57*

*Independent Non-Executive  
Director*

**Chen Chee Peng** was appointed to the Board of TRIVE on 06 February 2017. He is also a member of the Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee.

He holds Bachelor of Science in Computer & information Science from Ohio State University, Columbus Ohio, United States of America and Master of Business Administration from Southern Cross University, Australia.

He is an entrepreneur and currently the Director of Neurogine Sdn Bhd, a company which focuses on mobile application solution provider and its customers amongst others are Warid Telecommunications in Pakistan and Vietnam Telecoms in Vietnam.

Before starting Neurogine Sdn Bhd, he was the Executive Director of DVM Technology Berhad ("DVM"). He joined the Group in 1998. He was instrumental in DVM listing in the ACE market in 2004. During his tenure, he is responsible for the business direction and strategies of the DVM Group. He leads the management in business development and overseeing the day-to-day operation of the DVM Group.

He started his career as a Computer Aided Design Development Engineer in California, 1987. He had worked in the United States for 4 years as a software engineer before coming back to Malaysia. He specialises in communication infrastructure development in the telecommunication industry. Besides, he has a wide IT knowledge in Sun Solaris System, HP-U System, Tandem Fault Tolerant Systems, Windows System, other programming languages. He left DVM Group in 2011 to venture into other opportunities.

He is also an independent non-executive director of Saudee Group Berhad.

He does not have family relationships with any Director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2020.

## Directors' Profile

(Cont'd)

### **DORIS WONG SING EE**

*Malaysian Female, Aged 39*

*Non-Independent  
Non-Executive Director*

**Doris Wong** was appointed to the Board of TRIVE as an independent non-executive Director on 06 February 2017 and was re-designated to non-independent non-executive Director on 17 October 2017.

She graduated from Multimedia University with B.Sc. (Hons) in Creative Multimedia, majoring in Media Innovation. Besides the degree, she also holds Graduate Cert. in Accounting and Master in Corporate Governance from HELP University. She has more than 19 years of experience in management level across various industries ranging from advertising, property development, F&B, and oil & gas, specializing in Business Development, Strategic Consultancy and Corporate Advisory in Merger & Acquisition and Joint Venture across Malaysia, Singapore, China, Japan, Thailand and Indonesia.

Starting off as a Business Development Manager for 3 years, her enthusiastic attitude has molded her to become Business Development Director for a year before she was promoted to Managing Director in Niagamatic Sdn Bhd. In 2012, she was appointed as Business Consultant for JLPW Strategic Consulting Sdn Bhd (subsidiary of JLPW Legal Firm) where she gained exposures in handling Merger & Acquisition and Joint Venture internationally. She was then appointed by a leading Japanese advertising firm, Dai-ichi Kikaku Sdn Bhd as the country General Manager in 2015.

On 1 October 2020, she is appointed as Executive Director in Metronic Global Berhad.

She does not have family relationships with any Director and/or major shareholder of the Company or any conflict of interest involving the Group. She has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2020.

### **KANG TEIK YIH**

*Malaysian Male, Aged 45*

*Independent  
Non-Executive Director*

**Kang Teik Yih** was appointed to the Board of TRIVE on 10 June 2020. He is also the Chairman of the Audit Committee.

He graduated from Royal Melbourne Institute of Technology with a Bachelor of Business, majoring in Accountancy. He is a member of Malaysian Institute of Accountants (MIA) and also a member of Certified Practising Accountants, Australia.

He started his career in an education establishment as an Executive & Admin Assistant from 1998 to 2000 where he had assisted in various projects for the growth and expansion of the college as well as their payroll, taxation and accounting related work. In 2001, he joined a ceramic tiles group of companies specializes in tiles and sanitary wares as an Accounts Executive. Subsequently in 2004, he joined HSBC Bank Berhad as a Personal Relationship Manager where he was in-charge of main customers' portfolios. In 2006, he joined an established audit firm and since then, he has been actively growing the professional business mainly in accounting, tax planning, payrolls, auditing and all other related corporate services.

He does not have family relationships with any Director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2020.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is prepared in accordance with the Main LR of Bursa Securities and the MCCG issued by the Securities Commission Malaysia.

This statement gives the shareholders an overview of the corporate governance practices of the Company during the FY2020 and it is to be read together with the Corporate Governance Report which is available at the Company's website ([www.trivegroup.com.my](http://www.trivegroup.com.my)).

In FY2020, the Company had applied the following key principles of good corporate governance in the MCCG:

- Board leadership and effectiveness
- Effective audit and risk management
- Integrity in corporate reporting and meaningful relationship with stakeholders.

The Company had also adopted 29 out of the total 32 recommended practices in the MCCG. The recommended practices not adopted were as follows:

- Practice 4.1 – At least half of the Board comprises independent Directors
- Practice 7.2 – The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.
- Practice 12.3 – Listed companies with a large number of shareholders or which have meetings in remote locations should leverage technology to facilitate voting, including voting in absentia; and remote shareholders' participation at General Meetings.

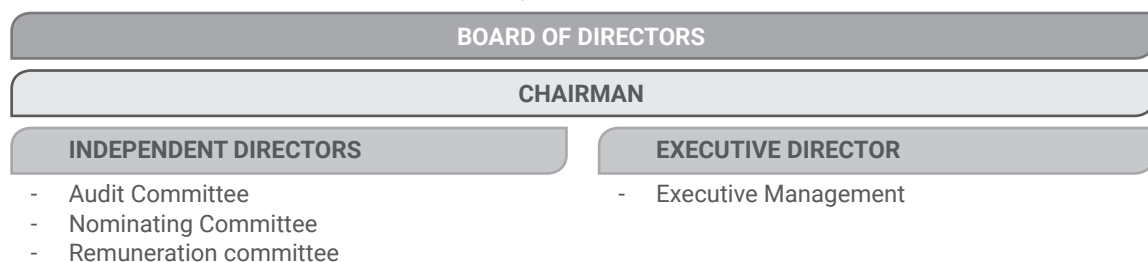
### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

##### Clear roles and responsibilities

The Board is responsible for the overall corporate governance and strategic direction of the Group. The Board in discharging its duties and responsibilities, delegates certain of its responsibilities to 3 main Board Committees namely the Audit Committee, Nominating Committee and the Remuneration Committee whose members are wholly independent Directors whilst some areas of responsibilities are delegated to the executive management or Director of the Company.

An overview of the Group's Governance Model where specific powers of the Board are delegated to ensure responsibilities and duties are discharged orderly is as follows:



The Board, in discharging its oversight role assumes the functions of overseeing the conduct of business, succession planning, risk management and internal controls implementations, shareholders and investors relations as well as compliances of relevant applicable laws and regulations.

Other key duties of the Board is inclusive of but not limited to approving of financial statements and quarterly results, new investment or disposals, divestment and corporate restructuring.

The chairman of the Board is an Independent Director with no executive function. He is responsible for the effectiveness of the Board and ensuring effective communications with shareholders and relevant stakeholders and for orderly conducts of meetings.

The Board Committees operate within their respective predefined terms of reference. The chairman of the respective Board Committees reports to the Board of their proceedings and deliberations of key issues and/or decision.

The Executive Director assumes the stewardship role of chief executive and he is responsible for the day-to-day management of the overall financial and business operations of the Group.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### I. BOARD RESPONSIBILITIES (Cont'd)

##### Good business conduct and corporate culture

The Board had established the following Board policies which serve as a guide to strengthen the governance and internal control of the Company:-

- Board Charter;
- Whistle Blowing Policy;
- Code of Conducts and Ethics; and
- Corporate Disclosure Policies

The policies are available on Company's website ([www.trivegroup.com.my](http://www.trivegroup.com.my)) and are to be annually reviewed by the Board or as and when required. The last review was on 25 November 2020.

##### Supply of Information

All the Directors have access to any information pertaining to the Company and the Group including direct access to the management and the Company Secretaries. The Directors may also seek independent professional advice necessary in discharging their duties at the Company's expense but subject to prior approval by the Board.

The Board is provided with meeting agendas and board papers at least 7 days before the meeting to enable them to participate actively in the meeting. The Board may also invite management who are not Directors of the Company to provide explanations or information on matters that may be raised by the Directors in the meeting.

The proceedings of meetings are duly compiled in the minutes and that the said minutes are kept at the registered office of the Company and accessible to all Directors during office working hours.

##### Company Secretaries

The Board is supported by 2 qualified Company Secretaries. Both Company Secretaries have tertiary education and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act, 2016.

The Company Secretaries are responsible for proper maintenance of secretarial records, preparation of resolutions and other secretarial functions of the Company. The Company Secretaries attend all Board, Board Committees and General meetings of the Company and records the minutes of meetings.

In FY2020, the Company Secretaries had attended various seminars and conferences to keep themselves abreast with the regulatory changes and other areas of sustainability, governance, finance and accounting.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION**

There are presently 5 Board members, comprising 1 Non-Independent Non-Executive Director, 3 Independent Non-Executive Directors and 1 Executive Director. The number of Independent Directors complies with the Main LR of Bursa Securities where at least 2 Directors or 1/3 of the Board members, whichever is higher are Independent Directors.

The profile of each Director is set out in the Directors' Profile section of this Annual Report.

An overview of the Board composition, balance and diversity as at 31 July 2020 is set out in Table I and II below:

**Table I**

Gender Diversity		Ethnicity Diversity		Age Diversity		Tenure of Directorships	
	%		%		%		%
Male	80	Malay	20	Below 40 years	40	Below 1 year	20
Female	20	Chinese	80	41 - 50 years	20	1 - 2 years	40
				51 - 60 years	40	3 - 4 years	40

**Table II**

Mix of Skills and Experiences	
	%
Corporate CEO/Management	100
Accounting/Finance/Compliance	100
Technology/Engineering	50

**Gender Diversity**

The Board embraces gender diversity as essential combination to strengthen the composition of the Board. However, the Board did not set any target on gender diversity neither nor adopt a gender diversity policy in the boardroom as the Board was of the view that equal opportunity should be given to candidates with merits.

As at 31 July 2020, the Board comprised of one female Director, which is equivalent to 20% female representation in the boardroom of TRIVE.

**Ethnicity Diversity**

The Board did not set any target on ethnicity diversity but endeavor to include any member who will improve the Board's overall composition balance.

As at 31 July 2020, the Board comprised of one Malay Director, which is equivalent to 20% ethnicity diversity in the boardroom of TRIVE.

**Age Diversity**

The Board believes that the Directors with diverse age profile will be able to provide a different perspective and bring vibrancy to the Group's strategy making process.

As at 31 July 2020, the age profile of the Directors of TRIVE ranges from below 40 to below 60 years of age.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (Cont'd)

##### Tenure of Directorships

Practice 4.2 of the MCCG stipulates that the tenure of an Independent Director of the Company should not exceed a cumulative term of 9 years. As such, upon completion of the 9 years, an Independent Director may continue to serve on the Board as non-Independent Director. In the event the Board intends to retain the Independent Director beyond 9 years, the Board should justify and seek annual shareholders' approval.

As at 31 July 2020, none of the Independent Directors of the Company served more than 9 years.

##### Re-elections and Appointments

In accordance with the Company's Constitution, 1/3 of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in each 3 years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Nominating Committee is responsible to assess and recommend the re-election of Directors due for retirement under the Company's Constitution. Upon its assessments carried out, the Nominating Committee is satisfied that Mr. Chen Chee Peng and Mr. Kang Teik Yih, the Directors due for retirement at the forthcoming AGM of the Company had carried out their duties and responsibilities as the Independent Directors of the Company diligently. Hence, the Nominating Committee had recommended their re-elections at the forthcoming AGM to the Board for approval.

The Board, after having considered the above recommendations had then, recommended Mr. Chen Chee Peng and Mr. Kang Teik Yih to be considered by the shareholders at the forthcoming 14th AGM of the Company.

The Nominating Committee is also responsible to assess new appointments to the Board. In discharging its duties, the Nominating Committee will assess the suitability of the identified candidate by taking into account his background, education, skills, experiences, integrity, age, ethnicity, and independency where applicable.

The Board will then consider the recommendations of the Nominating Committee and make its final decision as to the appointment. The Company Secretaries then ensure the relevant procedures relating to the appointment of the new Director are properly executed.

##### Annual Assessments

The Nominating Committee performs annual assessments to review the effectiveness of the Board as a whole, the Board Committees, the Audit Committee and its members, and makes its recommendations to the Board. Additionally, the Nominating Committee also assesses the contributions of individual Directors and the independence of the Independent Directors and makes their recommendations to the Board.

The assessment of the Board as a whole, Board Committees, the Audit Committee and its members are carried out by way of evaluation questionnaires. The responses are then compiled and presented to the Nominating Committee for evaluation and consideration. The Nominating Committee will evaluate and table its recommendations to the Board. The Director's concern shall abstain from deliberating on his own assessment.

The assessments of individual Directors, Independent Directors and Senior Management are carried out by way of self-assessment questionnaires. The self-assessment questionnaires include amongst others the character, integrity, contributions in meetings, quality of input, and understanding of role, time commitment and so forth.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (Cont'd)

##### Annual Assessments (Cont'd)

The Nominating Committee met once during the FY2020 and their summaries of works are as follows:-

- Assessed the composition and effectiveness of the Board and Board Committees
- Assessed the contribution and performance of each individual Directors
- Assessed the Directors due for retirement at the AGM
- Assessed the independence of the Independent Directors
- Assessed the effectiveness and objectivity of the Audit Committee and each of its members
- Assessed the trainings attended by the Directors and the trainings required
- Assessed the boardroom diversity

##### Time Commitment

The Board has committed to meet at least meets at least 4 times a year with additional meetings to be held when need arises to consider urgent proposals or matters that required expeditious decision or deliberation of the Board. The Board also approves certain matters of the Company via circular resolutions to be signed by a majority of Directors.

During FY2020, there were 3 Board meetings held and the details of the Directors' attendance are as follows:-

Name	Number of Meetings Attended
Dato' Haji Sohaimi Bin Shahadan	3/3
Dato' Kua Khai Shyuan	3/3
Chen Chee Peng	3/3
Doris Wong Sing Ee	3/3
Kang Teik Yih ( <i>appointed on 10.06.2020</i> )	1/1

None of the Directors holds more than 5 Directorships in public listed companies as required under paragraph 15.06 of the Main LR of Bursa Securities. The Directors are required to notify the Executive Director before accepting any new Directorships in public listed companies, and of his time commitment in fulfilling his role to make positive contributions to the Board.

The Nominating Committee and the Board are satisfied with the level of time commitment given by the Directors in fulfilling their roles and responsibilities.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### II. BOARD COMPOSITION (Cont'd)

##### Directors' Trainings

All the Directors had attended the Mandatory Accreditation Programme (MAP) prescribed by Bursa Securities. In addition to the MAP, Board members are encouraged to attend structured training programmes conducted by professional firms or the regulatory authorities.

During FY2020, the trainings attended by the Directors are as follows:

Name	Description
Dato' Kua Khai Shyuan	<ul style="list-style-type: none"> <li>Corporate Liability on Corruption : Malaysian Anti-Corruption Act 2009 (Amended 2018)</li> </ul>
Doris Wong Sing Ee	<ul style="list-style-type: none"> <li>Learn to Lead Program</li> <li>Section 17A MACC Act 2018 – Corporate Liability Provision: What You Need To Know &amp; Implementing The Adequate Procedures”</li> </ul>
Kang Teik Yih	<ul style="list-style-type: none"> <li>Preparation of Group Accounts – under MFRS</li> <li>Taxation of Companies – Challenges, Opportunities &amp; Latest Amendments</li> <li>Introductory Franchisee Course (Australia)</li> <li>Food Safety, Occupational Health and Safety (Australia)</li> <li>MAP</li> </ul>

Save as disclosed, the other Directors did not attend any structured training during the FY2020 as they enhanced their knowledge and kept abreast with the latest development on statutory and regulatory requirements from the secretaries and external auditors during the meetings of the Directors.

The Nominating Committee, upon its annual assessment carried out, is satisfied with the Directors' own evaluation of their training needs to keep abreast with the latest developments in the market place or to further enhance their skills or knowledge.

The Nominating Committee and the Board are of the view that a fixed policy on Directors' training is not required at this juncture.

#### III. REMUNERATION

The Remuneration Committee is empowered by the Board with the terms of reference to review and recommend the remunerations of the Executive and Non-Executive Directors. The Director's concern shall abstain from deliberating on his own remunerations. The Directors' fees and benefits as determined by the Board are subject to annual shareholders' approval at the AGM.

The Remuneration Committee, in discharging its duties will consider among others the Executive Directors' length of service, responsibilities, accomplishments, performances, prevailing rates in similar industries and the financial performance of the Group before making its recommendations to the Board. The objective of the Remuneration Committee is to ensure there is a competitive remuneration package to reward and retain caliber Executive Directors to manage the business of the Group.

The Remuneration Committee also reviews the remuneration to be paid to Non-Executive Directors based on their level of responsibilities and commitment required and makes its recommendations to the Board. The Board then determines and recommends the remuneration of the Non-Executive Directors to shareholders for approval at the AGM of the Company.

The Remuneration Committee met once in FY2020 to review and recommend the remunerations of Executive and Non-Executive Directors of the Company.

## Corporate Governance Overview Statement

(Cont'd)

**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****III. REMUNERATION (Cont'd)**

Details of the Directors' remuneration for FY2020 are as follows:-

Directors	Group Level (RM)			Company Level (RM)		
	Fees	Salary, bonus & benefit in-kinds	Total	Fees	Other benefits	Total
<b>Executive Directors</b>						
Dato' Kua Khai Shyuan	RM31,691	–	RM31,691	–	–	–
<b>Non-Executive Directors</b>						
Dato' Haji Sohaimi Bin Shahadan	RM85,636	–	RM85,636	–	–	–
Chen Chee Peng	RM17,128	–	RM17,128	–	–	–
Doris Wong Sing Ee	RM17,127	–	RM17,127	–	–	–
Kang Teik Yih	–	–	–	–	–	–

Save as disclosed above, none of the Directors provides services or receives fees for services rendered to the Company or its subsidiaries.

**PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT****I. AUDIT COMMITTEE**

The Audit Committee was established to fulfill the principles of accountability, integrity and good corporate governance in assisting the Board independently to review and monitor the Group's financial, audit processes, statutory and regulatory compliances, corporate governance and other matters which the Board may delegate to them from time to time and when necessary.

The Audit Committee of the Company comprised wholly Independent Directors. As at 31 July 2020, the Audit Committee was chaired by Mr. Kang Teik Yih.

The Audit Committee had held 3 meetings in FY2020 and the summary of their activities including the internal audit functions are set out in the Audit Committee Report section of this Annual Report.

**External Auditors**

The Board maintains a formal and transparent relationship with the Company's external auditors. The external auditors report their audit findings including any other matters of concern arising from the audits of the Company and the Group. The Audit Committee will then report to the Board on matters that necessitate the Board's attention.

The current external auditors, Messrs. Jamal, Amin & Partners had confirmed to the Audit Committee that they had complied with the ethical requirements regarding independence with respect to the audit of the Company and its subsidiaries in accordance with the International Federation of Accountants' Code of Ethics for Professional Accountants and the Malaysian Institute of Accountants' By-Laws on Professional Ethics, Conducts and Practice.

The Audit Committee, upon its recent annual assessment carried out, is satisfied with the work done, resources, size and independence of the existing external auditors and had recommended to the Board, their re-appointment at the Company's forthcoming AGM.

## Corporate Governance Overview Statement

(Cont'd)

### PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Risk Management

The Board had set up a Risk Management Committee with the objective to identify, manage and mitigate risk at an acceptable level and to safeguard the assets of the Group as well as the shareholders' interest.

The Risk Management Committee reviews the adequacy of the Group's risk management framework, the processes of identifying, measuring and mitigating key risks in the Group's businesses and operations. The Risk Management Committee reports directly to the Board.

The Board had received assurance from the executive Director that the Group's risk management and internal control had been operating adequately in FY2020.

##### Internal Audit Function

The Board acknowledges its responsibilities to maintain an appropriate system of internal control to safeguard shareholders' interests and the assets of the Group.

The Company had outsourced its internal audit function to an independent firm of professionals to audit and monitor the compliance of the Group's policies, procedures and the effectiveness of the Group's internal control systems. The internal auditors report directly to the Audit Committee.

The cost incurred for the Group's internal audit function for FY2020 was RM10,000.00.

Further details are set out in the Statement on Risk Management & Internal Control and Audit Committee Report sections of this Annual Report.

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### I. COMMUNICATION WITH STAKEHOLDERS

The Board had adopted a Corporate Disclosure Policy to ensure accurate and timely disclosures to the regulatory authorities, shareholders and stakeholders of the Company. This policy sets out the procedures for the Group to observe including but not limited to disclosures of information that conforms with the rules and regulations of Bursa Securities, press releases, updating the information published on the Company's websites and so forth.

All pertinent information is disseminated or communicated to shareholders, stakeholders and investment community through:-

- Announcements and disclosures to Bursa Securities
- Annual Report of the Company
- Circulars to Shareholders
- Press conferences and corporate briefings
- Company's website

A copy of the Corporate Disclosure Policy is available at the Company's website at ([www.trivegroup.com.my](http://www.trivegroup.com.my))

## Corporate Governance Overview Statement

(Cont'd)

### **PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

#### **II. CONDUCT OF GENERAL MEETINGS**

The Company's AGM is a vital forum for interactions with shareholders. The Annual Report of the Company together with the notice of AGM is sent to shareholders at least 28 days before the date of the AGM.

Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution.

The Company's Chairman will invite shareholders' to raise questions pertaining to each proposed resolution before putting the motion to vote by poll. Board members and senior management will be present to respond to any questions raised from the shareholders. The Company's external auditors are also present to address issues relating to the audits and the auditors' reports. Before the commencement of poll voting, the Company Secretary will share with shareholders the poll voting process on all resolutions put to the meeting.

The Directors, management and the external auditors are in attendance to respond to the shareholders' enquiries at the Company's AGM.

**This Statement is issued in accordance with a resolution of the Board dated 25 November 2020.**

# SUSTAINABILITY REPORT

The Board believes that the Company's strategy of pursuing long term sustainable growth is tied to sustainability business practices. The Company has adopted a balance approach to sustainable practices whilst continue to improve and explore constructive learning opportunities for sustainability.

This Sustainability Statement summarises our sustainability framework and commitments towards sustainability with the focus on the Economic, Environmental and Social (EES) factors.

## REPORTING SCOPE AND METHODOLOGY

This Report has been prepared in accordance with the Main LR of Bursa Securities – Practice Note 9 and the Sustainability Reporting Guide issued by Bursa Securities.

This Report, which is produced annually, covers the reporting period from 01 August 2019 to 31 July 2020. This Report provides the key aspects of TRIVE and its subsidiaries' approach, initiatives and activities towards sustainability.

<b>SCOPE OF REPORT</b>	01 August 2019 to 31 July 2020
<b>REPORTING CYCLE</b>	Annual
<b>PRINCIPLE GUIDELINES</b>	Bursa Malaysia's Sustainability Guide
<b>COVERAGE</b>	TRIVE and its subsidiaries

This Report can be downloaded at our corporate website at [www.trivegroup.com.my](http://www.trivegroup.com.my).

As we look forward for improvements in our sustainability practices, we welcome feedback and suggestion. If you have any feedback or suggestion, please email to [afiqah855@gmail.com](mailto:afiqah855@gmail.com)

## GOVERNANCE STRUCTURE

Sustainable management is one of the Company's fundamental values as they form the basis of our action and guide us towards achieving the corporate objectives and the long term growth of the Group.

The Board did not establish a separate Sustainability Committee but has established a clear sustainability governance model to ensure compliance and responsibilities are discharged orderly as follows:

BOARD OF DIRECTORS	
CHAIRMAN	
INDEPENDENT DIRECTORS	EXECUTIVE DIRECTOR
<ul style="list-style-type: none"> <li>- Audit Committee</li> <li>- Nominating Committee</li> <li>- Remuneration committee</li> <li>- Risk Management Committee</li> <li>- ESOS Committee</li> </ul>	<ul style="list-style-type: none"> <li>- Executive Management</li> </ul>

The Group has also put in place a Whistleblowing Policy that provides an avenue for its employees and officers to raise in confidence, any concerns about actual or suspected improprieties on financial reporting, corruption, bribery, fraud and other matters, directly to the Chairman of the Audit Committee.

Besides, the Group has adopted a Code of Business Conduct which emphasises the Group's commitment to conducting business with integrity and good ethical standards, in compliance with applicable anti-bribery and anti-corruption laws.

Further details of the above are set out in the Corporate Governance Overview Statement section of this Annual Report.

## Sustainability Report

(Cont'd)

### STAKEHOLDER ENGAGEMENT

The Company identifies its stakeholders as groups of people and organisations whom the Company considered as most significant to the Group's business operations and strategies. The stakeholders' engagement methods are regularly assessed with the objective of understanding the stakeholders' interests and/or concerns before the Company makes its business decisions and policies.

The table below summarizes our approach to stakeholders' engagement:

Key Stakeholders	Key Topics and Concerns	Methods of Engagement	Frequency of Engagement
Suppliers	<ol style="list-style-type: none"> <li>1) Product quality</li> <li>2) Pricing</li> <li>3) Supplier relationship</li> <li>4) Creditability</li> </ol>	<ul style="list-style-type: none"> <li>• Supplier meetings</li> <li>• Informal discussion</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> <li>• On-going</li> </ul>
Customers	<ol style="list-style-type: none"> <li>1) Product quality</li> <li>2) Customer relationship</li> </ol>	<ul style="list-style-type: none"> <li>• Marketing &amp; sales activities</li> <li>• Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• On-going</li> </ul>
Employees	<ol style="list-style-type: none"> <li>1) Remunerations &amp; benefits</li> <li>2) Health &amp; Safety</li> <li>3) Career development &amp; opportunities</li> </ol>	<ul style="list-style-type: none"> <li>• Briefings &amp; discussions</li> <li>• Trainings</li> <li>• Performance Appraisal</li> <li>• Social &amp; wellness activities</li> <li>• Email, internal memo &amp; WhatsApp communications</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> <li>• Annual</li> <li>• Regular</li> <li>• On-going</li> </ul>
Government & regulatory authorities	<ol style="list-style-type: none"> <li>1) Compliance with relevant rules and regulations</li> </ol>	<ul style="list-style-type: none"> <li>• Compliance with mandatory requirements</li> <li>• Formal meetings</li> <li>• Communication and collaboration</li> </ul>	<ul style="list-style-type: none"> <li>• On-going</li> <li>• Ad hoc</li> <li>• Ad hoc</li> </ul>
Shareholders & investors	<ol style="list-style-type: none"> <li>1) Economic contribution</li> <li>2) Regulatory compliance</li> </ol>	<ul style="list-style-type: none"> <li>• Corporate website</li> <li>• Media release</li> <li>• Announcements vide Bursa Link</li> <li>• Annual Report</li> <li>• Annual general meeting</li> </ul>	<ul style="list-style-type: none"> <li>• On going</li> <li>• Ad-hoc</li> <li>• On-going</li> <li>• Annual</li> <li>• Annual</li> </ul>
Communities & Public	<ol style="list-style-type: none"> <li>1) Corporate social responsibility (CSR)</li> </ol>	<ul style="list-style-type: none"> <li>• Charity contributions</li> <li>• CSR activities</li> </ul>	<ul style="list-style-type: none"> <li>• Regular</li> <li>• Regular</li> </ul>



Sustainability Report

(Cont'd)

**MATERIALITY ASSESSMENT (CONT'D)**

In FY2020, the Group's focus areas are summarized as follows: (Cont'd)

EES Topic	Focus Areas	Activities and Approach
Environmental	Waste Management	<p>The Group acknowledges its environmental responsibility and the related impacts and shall strive to mitigate our own environment impact, to exercise great care and grow in a sustainable manner.</p> <p>The Group focused on optimizing recycling and encourages its employees to think before print so as to reduce paper usage as well as practicing the good culture of recycling waste materials. In these aspects, the employees were encouraged to use recycled paper for internal notes and printing whenever possible. Waste papers, newspapers, cardboards, boxes and other recyclable materials were then packed separately in the waste bin for collection and further processing by the waste management company.</p>
Environment	Energy Consumption	<p>Other focus area was on energy savings in which power saving features or sleep mode were enabled on computers, photocopiers and other equipment which helped to reduce power consumption when these items are not in use.</p>
Social	Talent Development	<p>The Group believes in providing learning and development opportunities to its employees to enable them to achieve personal growth and performance excellence for the business.</p> <p>The Group encourages and supports the growth and development of its employees, advancing their knowledge and skills so that they stay responsive to changes in the work environment and can contribute optimally.</p>
Social	Equal Employment Opportunities	<p>The Board does not have a fixed policy in workplace diversity but is committed to provide equal employment opportunities and treat all employees fairly with respect regardless of their religions, ethnicity, genders, age and nationalities towards a positive and harmonious working environment, at the same time creating a healthy lifestyle and working cultures.</p> <p>The current workforce comprising more males than females due to the nature of work but there is a diverse skills, experiences, cultures as well as age demographics aspects.</p>
Social	Employees Welfare	<p>To nurture the close relationship between the Group and its employees, there were on-going lunch and dinner gatherings to establish open communications and strengthen bonds with employees.</p>

**MOVING FORWARD**

The Board views that the sustainability practices is a journey as such, the Board endeavors to improve the Company's sustainability practices and to review the relevance of its material EES factors in pursuing the Company's commitment in sustainability.

**This Statement is issued in accordance with a resolution of the Board dated 25 November 2020.**

## OTHER DISCLOSURES

### 1. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries which involved Directors and major shareholders' interest either still subsisting at the end of the FY2020 or entered into since the end of the previous financial year of the Company that have not been reflected in the financial statement for the FY2020.

### 2. Utilisation Of Proceeds

The status of the utilisation of proceeds amounting to RM2,501,353 raised from the shares issuance as at FY2020 is as follows:

Purpose	Expected timeframe for utilisation	Amount Up to RM'000	Amount utilised as at 31.07.2020 RM'000	Amount unutilised as at 31.07.2020 RM'000
Working Capital Expenses for the Private Placment	within 24 mths Immediate	2,341 160	78 160	2,263 -
		<b>2,501</b>	<b>238</b>	<b>2,263</b>

### 3. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to Messrs. Jamal, Amin & Partners, the external auditors or a firm or corporation affiliated to the audit firm by the Company and the Group for FY2020 are follows:-

	Group Level RM'000	Company Level RM'000
Audit fees paid or payable to the external auditors	165	97
Non-audit fees paid or payable to the external auditors	32	-
Non-Audit Fees paid or payable to an affiliated firm of the external auditors for tax compliance and advisory services	-	-
	<b>197</b>	<b>97</b>

### 4. Recurrent Related Party Transactions of a Revenue or Trading Nature

There were no recurrent related party transactions of a revenue or trading nature conducted pursuant to shareholders' mandate during the FY2020.

### 5. Employees Shares Option Scheme

The ESOS of the Company was approved by shareholders at an Extraordinary General Meeting of the Company duly held and convened on 22 May 2015. The ESOS shall be in force for a period of 5 years commencing from 12 October 2015, being the effective date for implementation of the ESOS and expired on 11 October 2020.

A total of 405,352,000 share options were granted to and accepted by eligible employees at an exercise price of RM0.0089 and RM0.00918 respectively during FY2020.

No options were granted to Directors during FY2020.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of each financial year and of their results and cash flows for the financial year then ended.

In preparing the financial statements for FY2020, the Directors had:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable;
- ensured that applicable accounting standards have been complied with; and
- applied the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records, which disclose with reasonable accuracy on the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors are responsible for taking reasonable steps to safeguard the assets of the Group and the Company and to prevent and detect other irregularities.

**This Statement is issued in accordance with a resolution of the Board dated 25 November 2020.**

## AUDIT COMMITTEE REPORT

### MEMBERSHIPS

The current members of the Audit Committee is as follows:

Name	Designation	Directorate
Kang Teik Yih	Chairman	Independent Non-Executive
Dato' Haji Sohaimi Bin Shahadan	Member	Independent Non-Executive
Chen Chee Peng	Member	Independent Non-Executive

### MEETINGS AND ATTENDANCE

The Audit Committee met 3 times during FY 2020. The details of attendance are as follows:-

Name	Number of Meetings Attended
Dato' Haji Sohaimi Bin Shahadan	3/3
Chen Chee Peng	3/3
Kang Teik Yih ( <i>appointed on 10.06.2020</i> )	1/1

The number of meetings held were lesser than last financial year due to the movement control restrictions enforced in March 2020.

### TERMS OF REFERENCE

The terms of reference of the Audit Committee are available on the Company's website ([www.trivegroup.com.my](http://www.trivegroup.com.my)).

### SUMMARY OF WORK

Works carried out by the Audit Committee during the FY2020 are summarized below:-

#### Financial Reporting

- Reviewed the quarterly and annual financial statements of the Company and of the Group with the executive Director, focusing particularly on appropriate accounting policies adopted by the Management, any adjustments arising from the audits, prudent judgements and reasonable estimates made by the Management are in accordance with the financial reporting standards and other legal requirements to ensure that the financial statements presented a true and fair view of the Group's financial performance before recommending them to the Board for approval.

#### External Audit

- Reviewed with the external auditors, the external audit plan, nature and scope of the audit plan and coordination of the external auditors to meet the key deliverables timeline.
- Reviewed with the external auditors, the audit review memorandum arising from audits of the Company and its subsidiaries together with comments and responses of the management including the assistance given by the management and employees of the Group.
- Reviewed with the external auditors, the weaknesses in internal control of the Group.
- Assessed the independence, resources and the overall performance of the external auditors and upon assessment, recommended them to the Board for re-appointment.
- Held private sessions with the external auditors without the presence of the executive Director or the Management of the Company to reinforce the independence of the external audit function of the Company.
- Held private sessions with the external auditors without the presence of the executive Director or the Management of the Company to enquire about any extraordinary matters or material concerns related to the Group which required immediate attention of the Audit Committee.

## Audit Committee Report

(Cont'd)

### SUMMARY OF WORK (CONT'D)

#### Risk Management & Internal Control

- Reviewed with the internal auditors, the internal audit plan to ensure adequate coverage of key functional areas and business activities of the Group.
- Reviewed with the internal auditors, the internal audit reports to ensure appropriate corrective actions had been taken by the management to implement the audit recommendations.
- Reviewed with the internal auditors, the follow-up review reports on the status of implementation by the Management of the audit recommendations.
- Reviewed and report to the Board on the risks profile and the activities by the Risk Management Committee in mitigating the principal risks identified.
- Reviewed and report to the Board on the adequacy of the scope, function and effectiveness of the internal audit function.
- Assessed and report to the Board on the resources, competencies and the overall performance of the internal auditors.

#### Annual Report

- Reviewed the Statement on Risk Management and Internal Control, Audit Committee Report, Corporate Governance Report and Corporate Governance Overview Statement and recommended to the Board for inclusion in the Company's Annual Report.

#### Others

- Reviewed and verified the ESOS Register tabled by the Management in respect of share options granted to eligible employees or Directors during the respective period. During the FY2020, a total of 405,352,000 share options were granted to eligible employees of the Company.
- Reviewed the report by the Management in respect of recurrent related party transactions and possible conflict of interest situation that may arise within the Company or the Group to ensure all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. During the FY2020, there were no related party transactions involving the interests of the Directors or major shareholders of the Company.
- Deliberated on the composition of the Audit Committee and the actions undertaken to comply with the requirements of Bursa Securities.

## Audit Committee Report

(Cont'd)

### INTERNAL AUDIT FUNCTION

The Company had outsourced its internal audit function to assist the Audit Committee in discharging its duties and responsibilities. The head of internal audit is a qualified practitioner and a member of the Malaysian Institute of Accountants (MIA) and Certified Internal Auditors (CIA) and the internal audit team has participated in various continuing professional development programmes on topics which are relevant to their work function.

The internal auditors' role also assists the Board in accomplishing the Company's business objectives by evaluating and improving the effectiveness of the Group's internal control systems.

During the FY2020, the internal auditors had reviewed the approval of assets acquisitions, completeness of assets recording, safeguarding of assets and approval for disposal and write-off of assets. The internal auditors had assisted the Audit Committee in analyzing the issues and recommendations based on risk ratings to ensure adequate and effective systems are in place.

The internal auditors had also carried out a risk assessment review and reported the business process, risk description, residual risk, management action and the control effectiveness of the above identified to the Audit Committee. The additional risks identified had been updated in the Risk Register.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is prepared in accordance with the requirement under Paragraph 15.06(b) of the Main LR of Bursa Securities and as guided by the "Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers".

### INTRODUCTION

The Board acknowledges its responsibilities for overseeing the Group's internal control and risk management systems and for reviewing their adequacy and effectiveness. This process lends support to the role of the management of implementing the various policies on risk and control. Due to limitations that are inherent in any system of internal controls, these systems are designed to manage rather than eliminate the respective inherent risks that exist in achieving the Group's business objectives. Therefore, such systems of internal controls and risk management can only provide reasonable, and not absolute, assurance against material misstatement or loss.

### RISK MANAGEMENT

The Group has an on-going process for identifying, evaluating and managing principal risks. Such risks relating to the Group's operations are deliberated at the operation meetings attended by the Risk Management Committee and key management personnel.

The Risk Management Processes of the Group are summarized below:-

#### 1) Risk Identification

To understand and perform analysis on the internal and external potential events that could adversely impact the achievement of the Group's objectives and to distinguish between risks and opportunities so that opportunities are channeled back to the Group's objectives-setting processes.

#### 2) Risk Evaluation

The identified business risks are then evaluated to determine their impact on the Group's business. This is defined by risk assessment which involves the assessment of the LIKELIHOOD of occurrence and the consequential IMPACT of the risk should event takes place.

#### 3) Risk Treatment

Risk treatment is primarily a decision making process in completing the Risk Register. A variety of risk management measures are used to manage the identified risks such as ACCEPT risk as it is rated, AVOID risk from coming into existence, TRANSFER risk to another party or risk sharing and lastly REDUCE risk with appropriate mitigation plans.

#### 4) Risk Monitoring

Ongoing risk monitoring is conducted by the Risk Management Committee to assess whether any conditions associated with a particular risk have changed, and to ensure that action and risk mitigation plans have been implemented. Status of action/mitigation plans are then communicated to the Board.

## Statement On Risk Management And Internal Control

(Cont'd)

### RISK MANAGEMENT (CONT'D)

#### Risk Register

The process of identification of principal risks and managing such risks had been conducted formally. In the current period, the additional risks identified by the Risk Management Committee were as follows:-

- Property damage risk
- Property market risk
- Tenant risk
- Change of macroeconomic condition risk
- Anti-Corruption & Bribery risk

Other existing principal risk areas that are considered significant to the Group are as follows:

- Liquidity risk
- Credit risk
- Legal & regulatory compliance risk
- Subdued property market risk
- Inability to secure sufficient solar projects & order risk
- Construction cost overrun risk
- Delayed completion of projects risk

The Group will continue its focus on sound risk management practices and internal control to ensure the Group is able to mitigate and manage external challenges.

The Audit Committee through the internal auditors had conducted a risk assessment review exercise on the above and was satisfied with the existing management actions to mitigate the principal risks identified.

### INTERNAL AUDIT FUNCTION

The internal audit function is outsourced to an independent professional firm. The internal audit review is based on the internal audit plan approved by the Audit Committee. The internal auditors report directly to the Audit Committee.

The internal audit approach involved of the identification of existing controls and assessment of controls against "best practice" to determine the adequacy and effectiveness of the controls. It also involved the walkthrough reviews of its major operations, discussions held with top management and key personnel as well as a review of the various related records and documents supplemented with an observation of its current practices.

The internal audit findings, recommendations and management responses are then presented to the Audit Committee. Follow-up reviews will also be carried out by the internal auditors to assess the status of implementation of the recommended action plans by the Management.

### OTHER KEY ELEMENTS OF INTERNAL CONTROL

- i) Clear organization structure with defined reporting lines as well as delegation of responsibilities to the Board Committees including terms of reference, duties and functions.
- ii) All major decisions require the approval of the Board are only made after in-depth discussion and deliberation. The Board meets every quarterly and has ad-hoc meetings as and when need arises.
- iii) Management accounts and reports are prepared monthly for monitoring of operating results.
- iv) The Human Resource Policy that sets the guidelines within the Company regarding employment and dismissal as well as other relevant procedures in place to ensure that employees are adequately guided in carrying out their responsibilities.

## Statement On Risk Management And Internal Control

(Cont'd)

### **OTHER KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)**

- v) The Whistle-Blowing Policy that sets out a formal communication channel for employees and stakeholders of the Group to communicate matters of concern in good faith and without fear of reprisal.
- vi) The Code of Business Conducts that sets out the business conducts and practices in the Group which is applicable to all directors, employees and any other persons who represent the Group in executing their duties and functions of the Group.

### **BOARD ASSESSMENT**

The Board had received assurance from the executive director that the Group's risk management and internal control system is operating adequately based on the risk management and internal control systems of the Group.

As at 31 July 2020 the Board is of the opinion that the Group had adequately addressed the financial, operational and compliance risks, which are relevant and material to the Group's operations, by ensuring that the systems of internal control and risk management are in place.

### **REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS**

The external auditors had reviewed this statement in accordance to Paragraph 15.23 of the Main LR of Bursa Securities.

The review was performed in accordance with Audit and Assurance Practice Guide (AAPG) 3 issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

**This Statement is issued in accordance with a resolution of the Board dated 25 November 2020.**

## LIST OF PROPERTIES

Save as disclosed below, neither TRIVE nor its subsidiaries owned any other material properties as at 31 July 2020:

No.	Name of Registered Owner/Postal Address/ Title Identification	Approx Age of Building / Tenure / Date of Expiry of Lease	Description & Existing Use	Land & Build-up Area	Audited Net Book Value as at 31.07.2020	Year of Valuation/ Acquisition
1.	Perbadanan Kemajuan Negeri Kedah  Lease of Part of H.S.(D) 1708 P.T. No. 1950, Mukim Padang China, Daerah Kulim, Kedah Darul Aman situated at Lot No. 12, Industrial Zone Phase II, Kulim High Tech Park, Kedah Darul Aman, Malaysia  Postal Address:  Lot No. 12, Industrial Zone Phase II, Kulim Hi-Tech Park, 09000 Kulim, Kedah Darul Aman, Malaysia	Leasehold of 30 years expiring on 25.12.2034	Double-storey factory held for sale	Land: 2.5 acres Built-up 0.94 acres	RM2,850,000	2014

Note: *ETI Tech (M) Sdn Bhd, a wholly-owned subsidiary of the Company had entered into a Sale & Purchase Agreement with Frisian Biosciences Sdn Bhd to dispose of the above property for a total cash consideration of RM4,000,000.00. As at 05 November 2020, the disposal was still pending completion.*

No.	Name of Registered Owner/Postal Address/ Title Identification	Approx Age of Building / Tenure / Date of Expiry of Lease	Description & Existing Use	Land & Build-up Area	Audited Net Book Value as at 31.07.2020	Year of Valuation/ Acquisition
2.	Pakadiri Sdn. Bhd.  Lots 7534 to 7709, Lots 7714 to 7748, PT Nos. 6018 to 6091, PT Nos. 6094 to 6101, PT Nos. 6103 to 6196, PT Nos. 6201 to 6235, Lots 7710 to 7713, Lots 7749 to 7812, Lots 7813 to 8044, Lots 52035 to 52154, Lots 52159 to 52214, PT Nos. 6648 to 6767, PT Nos. 6772 to 6827, PT Nos. 5803, Lot 6021, Lot 8051, PT Nos. 6647 All within Mukim of Kertih, District of Kemaman, Terengganu Darul Iman	Leasehold of 99 years expiring on 15.02.2099 except Lot 6021 expiring on 28 March 2096	Land held for development	Land: 209,184 square metres	RM44,487,494	2017

List of Properties

(Cont'd)

No.	Name of Registered Owner/ Postal Address/Title Identification	Approx Age of Building / Tenure / Date of Expiry of Lease	Description & Existing Use	Land & Build-up Area	Audited Net Book Value as at 31.07.2020	Year of Valuation/ Acquisition
3.	Avenue Escapade Sdn. Bhd	Leasehold for 99 years. Term expiring on October 25th, 2090. Leaving an unexpired term of 70 years as at the date of valuation	Stratified office building	Gross Floor Area: 12,419.00 square metres (133,678.12 square feet  Net Lettable Area: 11,547.66 square metres (124,299.00 square feet	RM59,588,615	1.11.2016

## ANALYSIS OF SHAREHOLDINGS AS AT 12 NOVEMBER 2020

Total number of issued shares : 3,760,834,402 ordinary shares

Voting right : One vote per ordinary share

### DISTRIBUTION OF SHAREHOLDERS

Size of holdings	No. of Holders	%	No. of Shares	%
1 to 99	952	5.84	44,931	0.00
100 to 1,000	1,101	6.75	439,504	0.01
1,001 to 10,000	1,875	11.50	11,758,126	0.31
10,001 to 100,000	7,055	43.26	346,411,396	9.21
100,001 to 188,041,719*	5,327	32.66	3,402,180,445	90.46
188,041,720 and above**	0	0.00	0	0.00
<b>TOTAL</b>	<b>16,310</b>	<b>100.00</b>	<b>3,760,834,402</b>	<b>100.00</b>

Remarks:

\* less than 5% of issued shares

\*\* 5% and above of issued shares

### DIRECTORS' SHAREHOLDINGS

Director	Direct Interest	%	Indirect Interest	%
Dato' Kua Khai Shyuan	5,000,000	0.13	–	–

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

Substantial Shareholders	Direct Interest	%	Indirect Interest	%
AT Precision Tooling Sdn Bhd	213,317,300	5.67	–	–
AT Systematization Berhad	–	–	213,317,300(N1)	5.67
Tan Li Sin	100,025,666	2.66	91,500,000(N2)	2.43

N1 Deemed interested by virtue of Section 8 of Companies Act, 2016 held through AT Precision Tooling Sdn Bhd

N2 Deemed interested by virtue of Section 8 of Companies Act, 2016 held through UOBM Nominees (Tempatan) Sdn Bhd

## 30 LARGEST SHAREHOLDERS AS AT 12 NOVEMBER 2020

Name	No. of Shares Held	%
1. SITI MUNAJAT BINTI MD GHAZALI	81,499,933	2.17
2. KAMARUDIN BIN MERANUN	80,000,333	2.13
3. OH CHWEE HOE	30,000,000	0.80
4. CHUNG KIN CHUAN	27,500,000	0.73
5. KENANGA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ANG MING TAT</i>	25,500,000	0.68
6. BOH CHIT PANG	24,208,000	0.64
7. AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR WATER BEAUTE WORLD BERHAD (WAT0005C)</i>	23,916,666	0.64
8. NOR AZAH BINTI ADNAN	20,500,000	0.55
9. CHIN CHIN SEONG	19,233,333	0.51
10. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MOHD DOM BIN AHMAD (6000797)</i>	14,500,000	0.39
11. AMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MENG CHUE @ LENG YIT HOONG</i>	13,066,666	0.35
12. ELIZABETH LEE GAIK CHOO @ NORLIZAH	12,100,000	0.32
13. CHAN LIP SIN	11,430,833	0.30
14. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR ROOPAK SINGH A/L RAGHBIR SINGH (7001723)</i>	10,500,000	0.28
15. TA NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LOH NG KWA @ LOH NG KAW</i>	10,500,000	0.28
16. TOH SENG HON	10,500,000	0.28
17. YEONG KOW CHAI @ YONG KOK SHIANG	10,166,666	0.27
18. PUBLIC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR LAI SAU CHER (E-SS2)</i>	10,100,066	0.27
19. ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR CHOW YOON CHENG</i>	10,000,000	0.27
20. CHEONG KOK KONG	10,000,000	0.27
21. CHOW PAK TAK	10,000,000	0.27
22. LEONG CHEOK LUNG	10,000,000	0.27
23. SUAH JEAN YANG	10,000,000	0.27
24. CIMSEC NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR MURALITHARANA A/L P. SUBRAMANIAM (PB)</i>	9,858,333	0.26
25. CHAN TIANG SENG	9,610,000	0.26
26. AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD <i>PLEDGED SECURITIES ACCOUNT FOR TAN KENG BOON (TAN1212C)</i>	9,500,000	0.25
27. FARAH AQILAH BINTI AZMAN	9,500,000	0.25
28. AFFIN HWANG INVESTMENT BANK BERHAD IVT (CWF)	9,400,000	0.25
29. MOHD ZAHARI BIN JUSOH	9,116,083	0.24
30. LOW KEN LOR	9,006,600	0.24

# FINANCIAL STATEMENTS

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## DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2020.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The details of the subsidiary companies and their principal activities are as set out in *Note 7* to the financial statements. There were no significant changes in the nature of these activities during the financial year.

### FINANCIAL RESULTS

	<b>Group RM</b>	<b>Company RM</b>
Loss attributable to:		
Owners of the Company	<u>(4,614,911)</u>	<u>(1,888,022)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

### DIVIDEND

No dividend has been paid or declared 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

During the financial year, the Company increased its issued share capital from RM79,600,636 to RM89,835,495 by way of:

- a) Issuances of new ordinary shares via a private placement to eligible investor to fund a company's investment in a subsidiary.

<u>Number of share</u>	<u>Price (RM)</u>	<u>Amount (RM)</u>
100,000,000	0.0100	1,000,000
300,000,000	0.0050	1,500,000
50,000,000	0.0066	330,000
253,947,100	0.0050	1,269,736
305,043,000	0.0082	2,501,352

## Directors' Report

(Cont'd)

### **ISSUE OF SHARES AND DEBENTURES (CONT'D)**

b) Issuances of new ordinary shares via equity-settled share options (ESOS) granted to employees.

<u>Number of share</u>	<u>Exercise Price (RM)</u>	<u>Amount (RM)</u>
312,000,000	0.00890	2,776,800
93,352,000	0.00918	856,971

There was no issuance of debentures by the Company during the financial year. The new shares ranked pari passu in respect with the existing ordinary shares of the Company.

The details of ESOS are contained in the By-Laws and the salient features of ESOS are disclosed in *Note 18* to the financial statements.

### **OPTIONS GRANTED OVER UNISSUED SHARES**

No option has been granted during the financial year to take up unissued shares of the Company.

### **DIRECTORS**

The directors in office since the date of the last report are:

Dato' Kua Khai Shyuan  
 Doris Wong Sing Ee  
 Dato' Haji Sohaimi Bin Shahadan  
 Chen Chee Peng  
 Kang Teik Yih

Appointed on 10.06.2020

### **DIRECTORS' INTERESTS**

None of the directors holding office at the end of the year had any interest in shares in the Company and its related corporations during the year.

### **DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director 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 directors as shown under Directors' Remuneration below, or the fixed salary of a full - time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

## Directors' Report

(Cont'd)

### **DIRECTORS' REMUNERATION**

The detail of Directors' remuneration is disclosed in *Note 28* of the financial statements.

### **INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS**

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the director, officer or auditor of the Company.

### **OTHER STATUTORY INFORMATION**

- a) Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:
  - i. to ascertain that proper 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 there were no known bad debts to be written off and that no allowance for doubtful debts was necessary; and
  - ii. to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.
- 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 to make any allowance for doubtful debts or the values attributed to current assets misleading; and
  - ii. which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- c) In the interval between the end of the financial year and the date of this report:
  - i. except as disclosed in *Note 32*, no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Group and of the Company for the current financial year; and
  - ii. no charge has arisen on the assets of the Group and of the Company which secures the liabilities of any other person nor has any contingent liability arisen in the Group and in the Company.
- d) No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

## Directors' Report

(Cont'd)

**AUDITORS' REMUNERATION**

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	Group RM 2020	Company RM 2020
Statutory audit	<u>169,000</u>	<u>97,000</u>

**AUDITORS**

The auditors, Messrs. Jamal, Amin & Partners have indicated their willingness to accept re-appointment in accordance with Section 267 (4) of Companies Act, 2016.

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

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**DATO' KUA KHAI SHYUAN**  
Director

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**DORIS WONG SING EE**  
Director

Kuala Lumpur

Date: 25 November 2020

## STATEMENT BY DIRECTORS

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

We, **DATO' KUA KHAI SHYUAN** and **DORIS WONG SING EE**, being two of the Directors of **TRIVE PROPERTY GROUP BERHAD** do hereby state that, in the opinion of the Directors, the financial statements set out on pages 52 to 128 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 July 2020 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.

---

**DATO' KUA KHAI SHYUAN**

Directors

---

**DORIS WONG SING EE**

Directors

Kuala Lumpur

Date: 25 November 2020

## STATUTORY DECLARATION

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

I, **DATO' KUA KHAI SHYUAN**, being the Director primarily responsible for the financial management of **TRIVE PROPERTY GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 52 to 128 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 **DATO' )**  
**KUA KHAI SHYUAN** at Kuala Lumpur in the )  
state of Federal Territory on 25 November 2020 )

**DATO' KUA KHAI SHYUAN**

Before me,

**LAWRENCE LOW**

**B484**

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TRIVE PROPERTY GROUP BERHAD (Incorporated in Malaysia)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of TRIVE PROPERTY GROUP BERHAD, which comprise the statements of financial position as at 31 July 2020 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 128.

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 July 2020, 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial statements, which indicates that the Group incurred a net loss of RM5.48 million during the year ended 31 July 2020 and, as of that date, the Group's current liabilities exceeded its current assets by RM3.6 million. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditors' Report

(Cont'd)

**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 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.

RISK AREA	OUR RESPONSE
<p><b>Impairment of assets</b></p> <ul style="list-style-type: none"> <li>- Investment property (Note 6)</li> <li>- Investment in subsidiary companies (Note 7)</li> <li>- Goodwill (Note 9)</li> <li>- Land held for development (Note 10)</li> <li>- Trade receivables (Note 12)</li> </ul> <p>During the year, the Group acquired a subsidiary known as Avenue Escapade Sdn Bhd (“AESB”) with purchase consideration of RM17.4 million and as a result, the Group has goodwill of RM7.05 million. As at 31 July 2020, the total investment in subsidiary companies amounted to RM36.9 million.</p> <p>Apart from that, the Group’s trade receivables amounted to RM4.02 million and land held for development amounted to RM44.5 million at the end of year end.</p> <p>Determining whether the asset is impaired requires management estimation of the recoverable amount, which is determined based on an estimation of the present value of future cash flows expected to be generated. The key assumptions used in the estimation of the recoverable amount involves a significant degree of management judgement.</p>	<p>Our procedures in relation to management’s assessment included:</p> <ul style="list-style-type: none"> <li>- Obtained the understanding of:                             <ul style="list-style-type: none"> <li>a) The Group’s control over the trade receivables collection process</li> <li>b) How the Group identify and access the impairment of the investment property, trade receivables, investment in subsidiary companies, goodwill, and land held for development.</li> <li>c) How the Group makes accounting estimates for impairment</li> </ul> </li> <li>- Evaluated the reasonableness of the methods and assumptions used by management to estimate the impairment under MFRS 9 and MFRS 136.</li> <li>- Performed test on the accuracy and completeness of the data used by management to assess the impairment.</li> <li>- Reviewed forecast revenue, operational and administrative costs;</li> <li>- Assessed the adequacy and appropriateness of the disclosures made in the financial statements.</li> </ul>

## Independent Auditors' Report

(Cont'd)

### Key Audit Matters (Cont'd)

RISK AREA	OUR RESPONSE
<p><b>Revenue recognition (Note 24 of the Financial Statements)</b></p> <p>The revenue from the sales of solar energy and rental income represents the group revenue.</p> <p>In current period, revenue was recognised at approximately RM 4.5 million.</p> <p>The significant judgement was used by the management in determining the extent revenue recognition.</p>	<p>Our procedures in relation to management's assessment included:</p> <ul style="list-style-type: none"> <li>- Reviewed the method and basis used by the group to recognise revenue.</li> <li>- Evaluate the application of methods of reasonableness of the basis used by management to recognise the revenue.</li> <li>- Performed verification on related document to ensure the completeness of the transaction.</li> <li>- Performed the sales cut-off</li> </ul>

### 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.

## Independent Auditors' Report

(Cont'd)

### **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 Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

## Independent Auditors' Report

(Cont'd)

### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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.

## Independent Auditors' Report

(Cont'd)

### Report on Other Legal and Regulatory Requirements

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

### Other Matters

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 for this report.

**JAMAL, AMIN & PARTNERS**  
(No : AF 1067)  
Chartered Accountants

**AHMAD HILMY BIN JOHARI**  
(No : 2977/03/22(J))  
Chartered Accountant

Kuala Lumpur

Date: 25 November 2020

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	4,664,937	3,557,854	560,335	430,996
Investment property	6	59,588,615	-	-	-
Investment in subsidiary companies	7	-	-	36,921,848	19,564,947
Development expenditure	8	-	-	-	-
Goodwill on consolidation	9	7,052,228	-	-	-
Land held for development	10	44,487,494	44,487,494	-	-
		<u>115,793,274</u>	<u>48,045,348</u>	<u>37,482,183</u>	<u>19,995,943</u>
<b>CURRENT ASSETS</b>					
Trade receivables	12	4,021,022	6,382,029	-	-
Other receivables and deposits	13	200,676	13,060,874	33,984	13,029,344
Amount owing by subsidiary companies	14	-	-	9,497,307	5,179,154
Other investment	15	-	875,595	-	875,595
Cash and cash equivalents	16	6,148,245	3,401,368	3,867,796	3,359,895
		<u>10,369,943</u>	<u>23,719,866</u>	<u>13,399,087</u>	<u>22,443,988</u>
Non-current assets held for sale	17	2,850,000	-	-	-
		<u>13,219,943</u>	<u>23,719,866</u>	<u>13,399,087</u>	<u>22,443,988</u>
<b>TOTAL ASSETS</b>		<u>129,013,217</u>	<u>71,765,214</u>	<u>50,881,270</u>	<u>42,439,931</u>

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

Statements of Financial Position

(Cont'd)

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	18	89,835,495	79,600,636	89,835,495	79,600,636
Reserve	19	(17,201,629)	(12,586,718)	(39,296,643)	(37,408,621)
Total equity attributable to owners of the Company		72,633,866	67,013,918	50,538,852	42,192,015
Non-controlling interest		(5,568,966)	-	-	-
<b>TOTAL EQUITY</b>		<b>67,064,900</b>	<b>67,013,918</b>	<b>50,538,852</b>	<b>42,192,015</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Borrowings	20	47,946,637	-	-	-
		47,946,637	-	-	-
<b>CURRENT LIABILITIES</b>					
Trade payables	21	6,522,016	4,188,621	-	-
Other payables and accruals	22	3,253,590	405,523	246,353	199,806
Amount owing to directors	23	574,949	157,152	96,065	48,110
Borrowings	20	3,649,788	-	-	-
Provision for taxation		1,337	-	-	-
		14,001,680	4,751,296	342,418	247,916
<b>TOTAL LIABILITIES</b>		<b>61,948,317</b>	<b>4,751,296</b>	<b>342,418</b>	<b>247,916</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>129,013,217</b>	<b>71,765,214</b>	<b>50,881,270</b>	<b>42,439,931</b>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Revenue	24	4,387,644	4,185,000	-	-
Cost Of Sales		(2,695,033)	(3,975,750)	-	-
Gross Profit		1,692,611	209,250	-	-
Other Operating Income		2,029,635	395,354	1,987,005	395,354
Administrative Expenses		(5,697,546)	(3,065,439)	(1,914,464)	(2,011,195)
Selling And Distribution Expenses		(2,736)	(3,988)	(2,736)	(3,988)
Other Operating Expenses		(1,957,827)	(3,001,121)	(1,957,827)	(2,175,727)
Loss From Operations		(3,935,863)	(5,465,944)	(1,888,022)	(3,795,556)
Finance Costs		(1,527,434)	-	-	-
Loss Before Taxation	25	(5,463,297)	(5,465,944)	(1,888,022)	(3,795,556)
Income Tax Expense	26	(17,743)	-	-	-
Loss After Taxation		(5,481,040)	(5,465,944)	(1,888,022)	(3,795,556)
<b>Other comprehensive (loss)/income</b>					
<u>Items that may be reclassified subsequently</u>					
<u>to profit or loss</u>					
-Exchange translation differences		(1,285)	4,949	-	-
Total comprehensive loss for the financial year		<u>(5,482,325)</u>	<u>(5,460,995)</u>	<u>(1,888,022)</u>	<u>(3,795,556)</u>
Loss attributable to:					
Owners of the Company		(4,613,626)	(5,465,944)		
Non-controlling interests		(867,414)	-		
		<u>(5,481,040)</u>	<u>(5,465,944)</u>		
Total comprehensive loss attributable to:					
Owners of the Company		(4,614,911)	(5,460,995)		
Non-controlling interests		(867,414)	-		
		<u>(5,482,325)</u>	<u>(5,460,995)</u>		
Loss per share (sen)					
- Basic	27	(0.18)	(0.24)		
- Diluted	27	<u>(0.18)</u>	<u>(0.24)</u>		

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

**STATEMENTS OF  
 CHANGES IN EQUITY**  
 FOR THE YEAR ENDED 31 JULY 2020

<i>Group</i>	<-----Attributable to owners of the Company----->		<-----Non-distributable----->		(Accumulated losses)/retained earnings		Non- controlling interest		Total equity	
	Share capital	Share premium	Foreign currency translation reserve	Share premium	RM	RM	RM	RM	RM	RM
Balance at 1 July 2018	76,678,189	-	5,150	(7,129,547)	69,553,792	(1,326)			69,552,466	
Transactions with owners:										
Issuance of share capital	2,922,447	-	-	-	2,922,447	-			2,922,447	
Effect on the increase in shareholding of subsidiary										
Loss after taxation										
Balance at 31 July 2019	79,600,636	-	10,099	(12,596,817)	67,013,918	-			67,013,918	

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

## Statements of Changes In Equity

(Cont'd)

Group	Attributable to owners of the Company											
	Non-distributable					Total						
	Share capital	Share premium	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity	Share capital	Share premium	Foreign currency translation reserve	Accumulated losses	Non-controlling interest	Total equity
RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 August 2019	79,600,636	-	10,099	(12,596,817)	-	67,013,918	-	-	-	-	-	67,013,918
Transactions with owners:												
Issuance of share capital	6,601,088	-	-	-	-	6,601,088	-	-	-	-	-	6,601,088
Issuance of share under ESOS	3,633,771	-	-	-	-	3,633,771	-	-	-	-	-	3,633,771
Total transactions with owners:	10,234,859	-	-	-	-	10,234,859	-	-	-	-	-	10,234,859
Effect on the increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	-	(4,701,552)	-	(4,701,552)
Loss after taxation	-	-	(1,285)	(4,613,626)	(867,414)	(4,614,911)	-	-	-	(867,414)	-	(5,482,325)
Balance at 31 July 2020	89,835,495	-	8,814	(17,210,443)	(5,568,966)	72,633,866	-	-	-	(5,568,966)	-	67,064,900

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

Statements of Changes In Equity

(Cont'd)

	<----- Non-distributable ----->					Total equity
	Share capital	Share premium	Warrant reserve	ESOS option reserve	Accumulated losses	
	RM	RM	RM	RM	RM	RM
<i>Company</i>						
Balance at 1 August 2018	76,678,189	-	-	-	(33,613,065)	43,065,124
Transactions with owners:						
Issuance of share capital	2,922,447	-	-	-	-	2,922,447
Total transactions with owners	2,922,447	-	-	-	-	2,922,447
Total comprehensive loss for the year	-	-	-	-	(3,795,556)	(3,795,556)
Balance at 31 July 2019	79,600,636	-	-	-	(37,408,621)	42,192,015
Transactions with owners:						
Issuance of share capital	6,601,088	-	-	-	-	6,601,088
Issuance of share under ESOS	3,633,771	-	-	-	-	3,633,771
Total transactions with owners	10,234,859	-	-	-	-	10,234,859
Total comprehensive loss for the period	-	-	-	-	(1,888,022)	(1,888,022)
Balance at 31 July 2020	89,835,495	-	-	-	(39,296,643)	50,538,852

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

## STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Loss before taxation		(5,463,297)	(5,465,944)	(1,888,022)	(3,795,556)
<i>Adjustments for:</i>					
Depreciation		1,372,473	329,740	170,661	170,659
Impairment losses on:					
- investment in subsidiaries		-	-	-	1,005,287
- other investment		-	975,439	-	975,439
- plant, property and equipment		-	715,618	-	-
- land held for sale		153,266	-	-	-
Written-off other receivables		75,081	-	75,081	-
Write-back other creditors		(38,696)	-	(38,696)	-
Interest expenses		1,527,434	-	-	-
Interest income		(42,828)	(371,013)	(198)	(371,013)
Realised loss on quoted share		1,781,061	-	1,781,061	-
Unrealised gain on quoted share		(1,942,005)	-	(1,942,005)	-
Written-off fixed asset		-	2,231	-	-
<i>Operating loss before working capital changes</i>		<u>(2,577,511)</u>	<u>(3,813,929)</u>	<u>(1,842,118)</u>	<u>(2,015,184)</u>
Decrease/(increase) in receivables		16,717,768	(14,933,780)	12,995,357	(12,034,189)
Increase in payables		2,144,337	3,278,642	10,160	66,148
(Decrease)/increase in amount owing to director		(1,293,123)	84,832	1,084,495	48,110
Increase in amount owing by subsidiary companies		-	-	(4,318,152)	(1,240,079)
<i>Cash generated from/(used in) operations</i>		<u>14,991,471</u>	<u>(15,384,235)</u>	<u>7,929,742</u>	<u>(15,175,194)</u>
Interest paid		-	-	-	-
Interest received		42,828	359,985	198	359,985
Tax paid		-	-	-	-
<i>Net cash generated from/(used in) operating activities</i>		<u>15,034,299</u>	<u>(15,024,250)</u>	<u>7,929,940</u>	<u>(14,815,209)</u>

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

Statements of Cash Flows

(Cont'd)

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Acquisition of subsidiary, net of cash and cash equivalents acquired		(15,538,949)	-	(17,356,898)	-
Purchase of property, plant and equipment		(4,372,318)	-	(300,000)	-
<i>Net cash used in investing activities</i>		<u>(19,911,267)</u>	<u>-</u>	<u>(17,656,898)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Net repayment of short term borrowings		(2,609,729)	-	-	-
Proceeds from issuance of shares		10,234,859	2,922,447	10,234,859	2,922,447
<i>Net cash generated from financing activities</i>		<u>7,625,130</u>	<u>2,922,447</u>	<u>10,234,859</u>	<u>2,922,447</u>
<i>Net increase/(decrease) in cash and cash equivalents</i>		2,748,162	(12,101,803)	507,901	(11,892,762)
<i>Cash and cash equivalents at beginning of the year</i>		3,401,368	15,498,222	3,359,895	15,252,657
Foreign exchange translation reserve		(1,285)	4,949	-	-
<i>Cash and cash equivalents at end of the year</i>		<u>6,148,245</u>	<u>3,401,368</u>	<u>3,867,796</u>	<u>3,359,895</u>
<b>Cash and cash equivalents comprise:</b>					
Cash and bank balances		717,419	350,889	151,357	309,416
Fixed deposit		5,430,826	3,050,479	3,716,439	3,030,479
		<u>6,148,245</u>	<u>3,401,368</u>	<u>3,867,796</u>	<u>3,339,895</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

## - 31 JULY 2020

### 1. CORPORATE INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as set out in *Note 7*. There were no significant changes in the nature of these activities during the financial year.

The address of the registered office of the Company is Suite 51-21-A, Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The address of the principal place of business of the Company is Level 7, Tower 11, Avenue 5, No. 8, Jalan Kerinchi, Bangsar South, 59200 Kuala Lumpur, Wilayah Persekutuan.

### 2. BASIS OF PREPARATION

#### a) **Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

As at 31 July 2020, the Group’s current liabilities has exceeded its current assets by RM3.6 million. Mainly arising from creditors and borrowings arising from the acquisition of Avenue Escapade Sdn. Bhd. The Group has proposed rights issue with warrants to address the Group’s net current liabilities position.

Notes to the Financial Statements

(Cont'd)

**2. BASIS OF PREPARATION (CONT'D)**

**a) Statement of compliance (cont'd)**

**Adoption of new and amended standards**

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

Annual Improvements to MFRSs 2015 - 2017

Cycle:

- Amendments to MFRS 3
- Amendments to MFRS 11
- Amendments to MFRS 112
- Amendments to MFRS 123

MFRS 16

Amendments to MFRS 9

Amendments to MFRS 119

Amendments to MFRS 128

IC Interpretation 23

Leases

Prepayment Features with Negative Compensation

Plan Amendment, Curtailment or Settlement

Long Term Interests in Associates and Joint Ventures

Uncertainty Over Income Tax Treatments

The adoption of the above MFRS and Amendments to MFRSs did not have any material impacts to the financial statements of the Group and of the Company.

## Notes to the Financial Statements

(Cont'd)

### 2. **BASIS OF PREPARATION (CONT'D)**

#### a) **Statement of compliance (cont'd)**

##### **Adoption of new and amended standards (cont'd)**

##### (i) MFRS 16 Leases

MFRS 16 will supersede the existing MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an arrangement contains a lease*, IC Interpretation 115 *Operating leases – Incentives* and IC Interpretation 127 *Evaluating the substance of transactions involving the legal form of a lease* and its sets out the principles for the recognition, measurement, presentation and disclosures of leases.

Under the existing MFRS 117, lessees and lessors are required to classify their leases as either finance leases or operating leases and account for those two types of leases differently. It requires a lessee to recognise assets and liabilities arising from finance leases but not from operating leases.

The new MFRS 16 introduces a single accounting model and requires a lessee to recognise assets and liabilities for the rights and obligations arising from all leases and hence eliminates the distinction between finance leases and operating leases. As a consequence, a lessee recognises right-of-use assets and lease liabilities arising from operating leases. The right-of-use asset is depreciated in accordance with the principle in MFRS 116 *Property, plant and equipment* and this liability is accreted over time with interest expense recognised in the profit or loss.

## Notes to the Financial Statements

(Cont'd)

### 2. **BASIS OF PREPARATION (CONT'D)**

#### a) **Statement of compliance (cont'd)**

##### **Adoption of new and amended standards (cont'd)**

##### (ii) Amendments to MFRS 9 – Prepayment Features with Negative Compensation

The amendments allow entities to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

##### (iii) Amendments to MFRSs Classified as “Annual Improvements to MFRS Standards 2015 – 2017 Cycle”

The Annual Improvements to MFRS Standards 2015 – 2017 Cycle include amendments to the following MFRSs:-

- a) The amendments to MFRS 3 Business combinations clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to MFRS 11 Joint arrangements clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- b) The amendments to MFRS 112 Income taxes clarify that an entity recognises the income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.
- c) The amendments to MFRS 123 Borrowing costs clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

## Notes to the Financial Statements

(Cont'd)

**2. BASIS OF PREPARATION (CONT'D)****a) Statement of compliance (cont'd)****Adoption of new and amended standards (cont'd)****(iv) IC Interpretation 23, Uncertainty over income tax treatments**

MFRS 112 Income taxes, includes requirements on recognition and measurement of tax assets and tax liabilities, but does not specify how to reflect uncertainty. As a result, entities apply diverse reporting method when the application of tax law is uncertain.

When there is uncertainty over income tax treatments, the Interpretation addresses:-

- a) whether an entity considers uncertain tax treatment separately;
- b) the assumptions an entity makes about the examination of tax treatments by taxation authority;
- c) how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- d) how an entity considers changes in facts and circumstances.

There is no significant impact arising from adoption of MFRS 16, Interpretations and amendments to MFRS on the Group's and the Company's financial statements.

**Standards issued but not yet effective**

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

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 3	Definition of Business (Amendment to MFRS 3)	1 <sup>st</sup> January, 2020
MFRS 101	Definition of Material (Amendment MFRS 101)	1 <sup>st</sup> January 2020
MFRS 108	Definition of Material (Amendment MFRS 108)	1 <sup>st</sup> January, 2020

Notes to the Financial Statements

(Cont'd)

**2. BASIS OF PREPARATION (CONT'D)**

**a) Statement of compliance (cont'd)**

**Standards issued but not yet effective (cont'd)**

		<u>Effective dates for financial periods beginning on or after</u>
MFRS 17	Insurance Contracts	1 <sup>st</sup> January, 2021
MFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments MFRS 10)	Date yet to be confirmed
MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments MFRS 10)	Date yet to be confirmed

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

The initial application of the above mentioned MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

**b) Functional and presentation currency**

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

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES**

All significant accounting policies set out below are consistent with those applied in the previous financial year unless otherwise stated.

#### (a) Basis Of Consolidation

The financial statements of the Group include the financial statements of the Company and its subsidiary companies made up to the end of the financial period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

#### (i) *Acquisition method of accounting for non-common control business combinations*

Acquisition of subsidiary companies is accounted for by applying the acquisition method. Under the acquisition method of accounting, identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects, for each individual business combination, whether to recognise non-controlling interest in the acquiree (if any) at fair value on the acquisition date, or the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statements of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(a) Basis of Consolidation (Cont'd)***(ii) Merger accounting for common control business combinations*

Under the pooling-of-interests method of accounting, the results of entities or businesses under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. The assets and liabilities acquired were recognised at the carrying amounts recognised previously in the Group's controlling shareholder's consolidated financial statements. The difference between the cost of acquisition and the nominal value of the shares acquired together with the share premium are taken to merger reserve or merger deficit. The other components of equity of the acquired entities are added to the same components within the Group's equity.

*(iii) Non-controlling interest*

Non-controlling interest represents the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated profit or loss and within equity in the consolidation of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

**(b) 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 (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(c) Property, Plant and Equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses where applicable.

All property, plant and equipment are depreciated based on a straight-line basis to write off the cost of each asset to their residual values over their estimated useful lives as following:

Long term leasehold land	Over the remaining lease period
Building	50 years
Plant, machinery and equipment	5 years
Furniture and office equipment	5 years
Computers	3 years
Motor vehicles	5 years

Depreciation is charged to profit or loss.

The residual value, useful lives and depreciation method of property, plant and equipment are reviewed at the end of the reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and the carrying amount is credited or charged to profit or loss in determining profit from operations.

**(d) Investment Properties**

Investment properties consist of property that is not occupied for use by, or in the operation, of the Group. Investment property is treated as long term investments.

An investment property is recognised at cost on initial recognition. The cost of a purchased investment property comprises purchase price and any directly attributable expenditure and other transaction costs. The cost of a self-constructed investment property comprises construction cost and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, but exclude internal profit. After initial recognition, investment properties are stated at fair value, if the fair value can be measured reliably without undue cost or effort.

Investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (d) Investment Properties (cont'd)

All other investment properties are depreciated by allocating the depreciable amount of assets less their residual values over their estimated useful lives, using straight-line method. The annual depreciation rate used for the depreciation are as follows:

Building	50 years
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At the end of each reporting year, the estimated residual values, estimated useful lives and depreciation methods are reviewed for any significant changes. If there is any change, the depreciation of an asset is revised prospectively.

#### (e) Investment in Subsidiary Companies

Subsidiary companies are entities, including structured entities, controlled by the Group. The Group controls the entities when it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities.

In the Company's separate financial statements, investment in subsidiary companies is stated at cost less any impairment, unless the investment is classified as held for sale. The impairment loss is recognised in the profit or loss.

On disposal of an investment, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (f) Non-current Assets 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. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale (or disposal group), the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

When non-current assets (or disposal group) are classified as held for sale, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

#### (g) Financial Instruments

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

##### **Financial assets**

##### **Recognition and Initial Measurement**

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

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (g) Financial Instruments (cont'd)

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

##### Financial instrument categories and subsequent measurement

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

##### **(a) Amortised cost (AC)**

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (g) Financial Instruments (cont'd)

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

##### Financial instrument categories and subsequent measurement (cont'd)

#### (b) **Fair value through other comprehensive income (FVOCI)**

##### **Debt investments**

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, 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 as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

#### (c) **Fair value through profit or loss (FVPL)**

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, 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 fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(g) Financial Instruments (cont'd)****Financial liabilities**

The categories of financial liabilities at initial recognition are as follows:

**i. 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.

On initial recognition, the Group or the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

- a) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

- b) if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where embedded derivative significantly modifies the cash flows and separation is not prohibited.

Financial liabilities categorised as fair value through profit or loss are subsequently measured at the fair value with gains or losses, including any interest expense are recognized in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (g) Financial Instruments (cont'd)

##### **Financial liabilities (cont'd)**

##### ii. Amortised cost

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

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

#### (h) Offsetting of Financial Instruments

Financial assets and financial liabilities 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) Amount Owing By / To Contract Customers

Construction contracts are stated at cost plus attributable profits less applicable progress billings and allowances for foreseeable losses, if any.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract cost are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activities at the reporting date. The stage of completion is determined by the actual costs incurred for work performed to-date in relation to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable and contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the period end. Where costs incurred and recognised profits (less recognised losses) exceed progress billings, the balance is shown as amount owing by contract customers. Where progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is shown as amount owing to contract customers.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Impairment of Assets****Non-financial assets**

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

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.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (j) Impairment of Assets (cont'd)

##### **Non-financial assets (cont'd)**

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 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.

##### **Financial assets**

The Group and the Company recognise loss allowance for expected credit losses (ECL) on financial assets measured at amortised cost, debt investments measure at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability – weighted estimate of credit loss.

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

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

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(j) Impairment of Assets (cont'd)****Financial assets (cont'd)**

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

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

An impairment loss in respect of debt instruments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more event that have detrimental impacts on the estimated future cash flows of the financial asset have occurred.

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

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (k) Provisions for Liabilities

Provisions for liabilities are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events; when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and when a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

Any reimbursement that the Group or 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 profit or loss, net of any reimbursement.

#### (l) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group and of the Company. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(m) Foreign Currency Translation***Functional and presentation currency*

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Company (the “functional currency”). The consolidated financial statements are presented in Ringgit Malaysia (“RM”), which is the functional currency of the Company and its subsidiary companies.

*Foreign currency transactions and balances*

Transactions in foreign currencies are measured in the functional currencies of the Company and its foreign subsidiary companies and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within ‘finance income or cost’. All other foreign exchange gains and losses are presented in profit or loss within other income.

All exchange differences are taken to profit or loss.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (m) Foreign Currency Translation (cont'd)

##### *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 2012 (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 that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary company that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (n) Related Parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - a. controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiary companies and fellow subsidiary companies);
  - b. has an interest in the entity that gives it significant influence over the entity; or
  - c. has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venture;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the directors of the Company and directors of the subsidiary companies, members of senior management and chief executive officer of the Company as well as members of senior management and chief executive officers of major subsidiary companies of the Group.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (o) Revenue Recognition

- (i) Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services rendered in the ordinary course of the Group's activities. Revenue from sale of goods and services is recognised when significant risk and rewards have been transferred to the customer, if any, or upon performance of services, net of returns and trade discounts.
- (ii) Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on total costs incurred to date over the estimated total project costs.

#### (p) Interest Income

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

#### (q) Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (r) Land Held for Property Development and Property Development Cost

##### (i) Land held for development

Land held for property development consists of land where no active development activity has been carried out or where development activity is not expected to be completed within the normal operating cycle. Such land is classified within non-current asset and is stated at cost less any accumulated impairment losses.

Land held for property development is reclassified to property development cost at the point when development activity commenced and where it can be demonstrated that the development activity will be completed within the normal operating cycle.

##### (ii) Property development cost

Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis such to activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that property development cost incurred for work performed to date bears to the estimated total property development costs.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development cost incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they incurred.

Any expected loss on a development project, including costs to be incurred over the defect liability period is recognised as an expense immediately.

Property development costs not recognised as an expense are recognised as an asset, which is period at the lower the cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billing within trade receivables and the excess billings to purchasers over revenue recognised in profit or loss is classified as progress billings within trade payables.

## Notes to the Financial Statements

(Cont'd)

### 3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

#### (s) Income Tax Expense

Income taxes for the year comprise current and deferred taxes.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Deferred tax is recognised in the profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

## Notes to the Financial Statements

(Cont'd)

**3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)****(t) Employee Benefits***(i) Short Term Employee Benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period. Past-service costs are recognised immediately in profit or loss.

*(ii) Defined Contribution Plan*

The Group's and the Company's contributions to defined contribution plans regulated and managed by the government, are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further financial obligations.

*(iii) Share-based Payment Transactions***Equity-settled Share-based Payment Transaction**

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

## Notes to the Financial Statements

(Cont'd)

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Employee Benefits (cont'd)

(iii) *Share-based Payment Transactions (cont'd)*

Equity-settled Share-based Payment Transaction (cont'd)

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

(u) Earnings Per Share

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

Basic EPS is calculated by dividing the profit or loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit and loss attributable to owners and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(v) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short term highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Group's and the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

(w) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision makers to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. An operating segment may engage in business activities for which it has yet to earn revenue.

## Notes to the Financial Statements

(Cont'd)

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

#### (a) Depreciation of Property, Plant and Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

#### (b) Impairment of Investment in Subsidiary Companies

The carrying value of investment in subsidiary companies is reviewed for impairment. In the determination of the value in use of the investment, the Company is required to estimate the expected cash flows to be generated by the subsidiary companies and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

#### (c) Provision for Financial Guarantee

Recognition and measurement for financial guarantee liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and experts, internal and external to the Group, for matters in the ordinary course of business.

## Notes to the Financial Statements

(Cont'd)

### **4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**

(d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company and its subsidiary companies recognise tax liabilities based on their understanding of the prevailing tax laws and estimate of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(e) Employees Share Option Scheme (“ESOS”) Reserve

The Group and the Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.



## Notes to the Financial Statements

(Cont'd)

**5. PROPERTY, PLANT & EQUIPMENT (CONT'D)**

<i>Group</i>	Long term	Building	Plant, machinery and	Furniture and	Computers	Renovation	Motor vehicles	Total
	leasehold land	RM	equipment	office	RM	RM	RM	RM
<i>Cost</i>								
Addition	-	-	-	-	4,318	4,068,000	300,000	4,372,318
Arising from acquisition of a subsidiary	-	-	65,000	-	-	-	-	65,000
Reclassification to non-current assets held for sale	(1,306,800)	(4,533,325)	-	-	-	-	-	(5,840,125)
At 31 July 2020	161,535	680,284	196,193	168,922	366,881	4,068,000	1,205,868	6,847,683

## Notes to the Financial Statements

(Cont'd)

**5. PROPERTY, PLANT & EQUIPMENT (CONT'D)**

Group	Long term	Building	Plant, machinery and equipment	Furniture and office equipment	Computers	Renovation	Motor vehicles	Total
	RM	RM	RM	RM	RM	RM	RM	RM
<i>Accumulated depreciation</i>								
At 1 August 2018	-	-	131,193	149,712	348,847	-	323,423	953,175
Charge for the year	32,670	136,000	-	4,247	2,568	-	166,413	341,898
Reclassification from non-current assets held for sale	368,659	1,471,467	-	-	-	-	-	1,840,126
At 31 July 2019	401,329	1,607,467	131,193	153,959	351,415	-	489,836	3,135,199
Charge for the year	-	-	10,833	4,247	4,865	-	166,412	186,357
Arising from acquisition of a subsidiary	-	-	28,167	-	-	-	-	28,167
Reclassification to non-current assets held for sale	(401,329)	(1,607,467)	-	-	-	-	-	(2,008,796)
At 31 July 2020	-	-	170,193	158,206	356,280	-	656,248	1,340,927

## Notes to the Financial Statements

(Cont'd)

**5. PROPERTY, PLANT & EQUIPMENT (CONT'D)**

Group	Long term leasehold land		Building		Plant, machinery and equipment		Furniture and office equipment		Computers		Renovation		Motor vehicles		Total	
	RM		RM		RM		RM		RM		RM		RM		RM	
<i>Accumulated impairment losses</i>																
At 1 July 2019	330,659		1,226,778		-		-		-		-		-		1,557,437	
Written-off impairment	(169,124)		(546,494)		-		-		-		-		-		(715,618)	
At 31 July 2020	161,535		680,284		-		-		-		-		-		841,819	
<i>Net carrying amount</i>																
At 31 July 2020	-		-		26,000		10,716		10,601		4,068,000		549,620		4,664,937	
At 31 July 2019	736,347		2,379,364		-		14,963		11,148		-		416,032		3,557,854	

## Notes to the Financial Statements

(Cont'd)

**5. PROPERTY, PLANT & EQUIPMENT (CONT'D)**

	Office equipment	Motor vehicles	Total
<i>Company</i>	RM	RM	RM
<i>Cost</i>			
At 1 August 2018	21,235	832,065	853,300
Additions	-	-	-
Disposal	-	-	-
At 31 July 2019	21,235	832,065	853,300
Additions	-	300,000	300,000
Disposal	-	-	-
At 31 July 2020	21,235	1,132,065	1,153,300
<i>Accumulated depreciation</i>			
At 1 August 2018	2,025	249,620	251,645
Charge for the year	4,247	166,412	170,659
Disposal	-	-	-
At 31 July 2019	6,272	416,032	422,304
Charge for the year	4,247	166,414	170,661
Disposal	-	-	-
At 31 July 2020	10,519	582,446	592,965
<i>Net carrying amount</i>			
At 31 July 2020	10,716	549,619	560,335
At 31 July 2019	14,963	416,033	430,996

- (a) A motor vehicle of the Group and of the Company with net carrying amount of RM466,430 (2019: RM277,383) is registered under the name of a director.

**Impairment loss recognised**

Impairment loss was provided for plant, machinery and equipment as these plant, machinery and equipment are no longer in use and the plant, machinery and equipment had been written down to their net realisable value based on the valuation exercise conducted by an independent professional valuer.

## Notes to the Financial Statements

(Cont'd)

**6. INVESTMENT PROPERTIES**

	<u>Building</u>	<u>Total</u>
<i>Group</i>	RM	RM
<i>Cost</i>		
At 1 August 2019	-	-
Arising from acquisition of a subsidiary company	64,420,125	64,420,125
Disposal	-	-
At 31 July 2020	<u>64,420,125</u>	<u>64,420,125</u>
<i>Accumulated depreciation</i>		
At 1 August 2019	-	-
Arising from acquisition of a subsidiary company	3,757,841	3,757,841
Charge for the year	1,073,669	1,073,669
Disposal	-	-
At 31 July 2020	<u>4,831,510</u>	<u>4,831,510</u>
<i>Net carrying amount</i>		
At 31 July 2020	<u><u>59,588,615</u></u>	<u><u>59,588,615</u></u>

- (a) The building is charged against bank borrowing (Note 20).
- (b) The fair value of investment properties is measured by reference to comparable market prices of similar property of recent transactions in the property market. There are no significant assumptions applied in the measurement. The Group does not engage an independent valuer because undue cost may be required.

Notes to the Financial Statements

(Cont'd)

**7. INVESTMENT IN SUBSIDIARY COMPANIES**

	Company	
	2020	2019
	RM	RM
Unquoted shares in Malaysia, at cost		
At 1 August	28,704,115	28,704,115
Addition	17,356,898	-
Disposal	-	-
At 31 July	<u>46,061,013</u>	<u>28,704,115</u>
<i>Less: Accumulated impairment losses</i>		
At 1 August	<u>(9,139,168)</u>	<u>(8,133,881)</u>
Impairment loss during the year	<u>-</u>	<u>(1,005,287)</u>
At 31 July	<u>(9,139,168)</u>	<u>(9,139,168)</u>
	<u>36,921,845</u>	<u>19,564,947</u>

Details of the subsidiary companies, all of which were incorporated in Malaysia, are as follows:

Name of subsidiary companies	Effective equity interest		Principal activities
	2020	2019	
	%	%	
Avenue Escapade Sdn Bhd. # *	60	-	Property investment holdings
Daima Fujing New Energy Technology Sdn. Bhd.	100	100	Dormant.
ETI Tech (M) Sdn. Bhd.	100	100	Trading, design and marketing of battery management system for rechargeable energy storage solutions.
ETI Tech Homes Sdn. Bhd.	100	100	Dormant.
ETI Tech International Sdn. Bhd.	100	100	Dormant.
Pakadiri Sdn. Bhd.	100	100	Housing developer.

## Notes to the Financial Statements

(Cont'd)

**7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)**

Details of the subsidiary companies, all of which were incorporated in Malaysia, are as follows:  
(cont'd)

Name of subsidiary companies	Effective equity interest		Principal activities
	2020	2019	
Proper Methods Sdn. Bhd.	100	100	Property, development, construction and property investment sectors.
Trive Property Sdn. Bhd.	100	100	Dormant.
Trive Energy Technology Holding Limited *	100	100	Dormant.

\* Subsidiary company not audited by Jamal, Amin & Partners.

# Subsidiary's financial year end is on 30 April 2020.

## Notes to the Financial Statements

(Cont'd)

**8. DEVELOPMENT EXPENDITURE**

	Group	
	2020	2019
	RM	RM
Cost		
1 August	34,192,852	34,192,852
Addition during the year	-	-
31 July	<u>34,192,852</u>	<u>34,192,852</u>
Accumulated depreciation		
1 August	16,142,746	16,142,746
Amortisation during the year	-	-
31 July	<u>16,142,746</u>	<u>16,142,746</u>
Accumulated impairment losses		
1 August	18,050,106	18,050,106
Impairment loss during the year	-	-
31 July	<u>18,050,106</u>	<u>18,050,106</u>
Net carrying amount		
At 31 July	<u>-</u>	<u>-</u>

**Impairment losses recognised**

Impairment losses were provided for development expenditure in which the development activities had ceased and the future economic benefits of the development expenditure are not expected to be realised.

## Notes to the Financial Statements

(Cont'd)

**9. GOODWILL ON CONSOLIDATION**

	Group	
	2020	2019
	RM	RM
Cost		
At 1 August	3,361	3,361
Additional during the year	7,052,228	-
At 31 July	<u>7,055,589</u>	<u>3,361</u>
Accumulated impairment losses		
At 1 August	(3,361)	(3,361)
Additional during the year	-	-
At 31 July	<u>(3,361)</u>	<u>(3,361)</u>
Carrying amount		
As at 31 July	<u><u>7,052,228</u></u>	<u><u>-</u></u>

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination. At the end of the financial period, the amortisations have been included in the other expenses in the statements of profit or loss and other comprehensive income.

**10. LAND HELD FOR DEVELOPMENT**

	Group	
	2020	2019
	RM	RM
At 1 August	44,487,494	44,487,494
Trasferred from property development cost (Note 11)	-	-
At 31 July	<u><u>44,487,494</u></u>	<u><u>44,487,494</u></u>

Notes to the Financial Statements

(Cont'd)

**11. PROPERTY DEVELOPMENT COST**

	Group	
	2020	2019
	RM	RM
Leasehold land, at cost		
At 1 August	2,500,000	2,500,000
Arising from acquisition of a subsidiary company	-	-
At 31 July	<u>2,500,000</u>	<u>2,500,000</u>
Development costs		
At 1 August	41,987,494	41,987,494
Arising from acquisition of a subsidiary company	-	-
Incurred during the year	-	-
At 31 July	<u>41,987,494</u>	<u>41,987,494</u>
Total property development cost	<u>44,487,494</u>	<u>44,487,494</u>
Transfer to land held for development	<u>(44,487,494)</u>	<u>(44,487,494)</u>
	<u>-</u>	<u>-</u>

Transfer of property development cost to land held for development

Transfer of property development cost to land held for development due to the management do not have intention to develop the land in the near future.

**12. TRADE RECEIVABLES**

	Group	
	2020	2019
	RM	RM
Trade receivables	7,565,651	9,926,658
Less: Accumulated impairment losses	<u>(3,544,629)</u>	<u>(3,544,629)</u>
	<u>4,021,022</u>	<u>6,382,029</u>

The Group's normal trade credit terms granted to trade receivables ranged from 30 to 150 days (2019: 30 to 150 days). Other credit terms are assessed and approved on a case-by-case basis.

## Notes to the Financial Statements

(Cont'd)

**12. TRADE RECEIVABLES (CONT'D)**

Movements of the accumulated impairment losses (individually impaired):

	Group	
	2020 RM	2019 RM
At 1 August	3,544,629	3,544,629
At 31 July	<u>3,544,629</u>	<u>3,544,629</u>

**13. OTHER RECEIVABLES AND DEPOSITS**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other receivables	16,523,289	16,908,783	79,850	570,207
<i>Less: Accumulated impairment losses</i>	(16,352,912)	(16,352,912)	(45,866)	(45,866)
Deposits	170,377 30,299	555,871 12,505,003	33,984 -	524,341 12,505,003
	<u>200,676</u>	<u>13,060,874</u>	<u>33,984</u>	<u>13,029,344</u>

Movements of the accumulated impairment losses (individually impaired):

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 August	16,352,912	16,352,912	45,866	45,866
Additions	-	-	-	-
Reversals	-	-	-	-
At 31 July	<u>16,352,912</u>	<u>16,352,912</u>	<u>45,866</u>	<u>45,866</u>

Notes to the Financial Statements

(Cont'd)

**14. AMOUNT OWING BY SUBSIDIARY COMPANIES**

	Company	
	2020	2019
	RM	RM
Amount owing by subsidiary companies	95,992,795	91,674,642
<i>Less: Accumulated impairment losses</i>	<u>(86,495,488)</u>	<u>(86,495,488)</u>
	<u>9,497,307</u>	<u>5,179,154</u>

The amounts owing are non-trade in nature, unsecured, interest free and repayable on demand. Movements of the accumulated impairment losses (individually impaired):

	Company	
	2020	2019
	RM	RM
At 1 August	86,495,488	86,495,488
Additions	-	-
At 31 July	<u>86,495,488</u>	<u>86,495,488</u>

**15. OTHER INVESTMENT**

	Group / Company	
	2020	2019
	RM	RM
Short-term investment		
Investment in quoted share		
in Malaysia (at cost)	-	3,225,645
Less: Impairment losses	-	<u>(2,350,050)</u>
Net value of investment	<u>-</u>	<u>875,595</u>

Investments in quoted share are acquired under the name of director.

## Notes to the Financial Statements

(Cont'd)

**16. CASH AND CASH EQUIVALENTS**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash in hand and at bank	4,282,501	350,889	3,716,439	309,416
Fixed deposit	1,865,744	3,050,479	151,357	3,050,479
	<u>6,148,245</u>	<u>3,401,368</u>	<u>3,867,796</u>	<u>3,359,895</u>
Less : Fixed deposit pledged to bank	(1,714,387)	-	-	-
	<u>4,433,858</u>	<u>3,401,368</u>	<u>3,867,796</u>	<u>3,359,895</u>

- (a) Fixed deposit with licensed bank amounting to RM1,714,387 are pledged as security for credit facilities (Note 20).
- (b) The interest rate of fixed deposit is at 2.55% (2019 : 2.7%) per annum.
- (c) The maturity period for fixed deposits are 30 to 365 days (2019 : 30 to 365 days).

## Notes to the Financial Statements

(Cont'd)

**17. NON-CURRENT ASSETS HELD FOR SALE**

	Group	
	2020	2019
	RM	RM
Reclassification from property, plant and equipment		
Long term leasehold land and building	<u>2,850,000</u>	<u>-</u>

In March 2018, the directors of ETI Tech (M) Sdn. Bhd., a wholly-owned subsidiary of the Company sold a piece of with the address of Lot No. 12, Industrial Zone Phase II, Kulim Hi-Tech Park, Kulim Kedah Darul Aman together with a three (3) storey detached factory erected thereon bearing postal address Plot 12, Jalan Hi-Tech 7, KHTP Phase 2, Kulim Hi-Tech, 09000 Kulim, Kedah Darul Aman measuring approximately 2.5 acres to Frisian Bioscience Sdn. Bhd. for the total cash consideration of RM 4,000,000 upon such terms and conditions as stipulated in the Sales and Purchase Agreement.

The Sales and Purchase Agreement has been signed between both parties on 22 March 2018. However, as at 31 July 2018, the transfer of title still pending from the authority.

In 2019, the conditions of the property under non-current assets held for sale was not in good conditions due to an event of breaking into the property by irresponsible individual. Due to that, the sales price of the property has been questioned by the buyer since they will incur another cost to fix the damages. Therefore, they demanded for a lower price and both parties had agreed to reduce the price to RM2.85 million.

During the year, the buyer has paid 20% out of the total price.

## Notes to the Financial Statements

(Cont'd)

### 18. SHARE CAPITAL

	Note	Group and Company			
		2020	2019	2020	2019
		Number of ordinary shares		RM	RM
Issued and fully paid:					
At 1 August		2,346,490,553	2,133,173,253	79,600,636	76,678,189
Issuance of shares capital:					
Pursuant to private placement		1,008,990,100	213,317,300	6,601,088	2,922,447
Pursuant to ESOS		405,352,000	-	3,633,771	-
At 31 July		<u>3,760,832,653</u>	<u>2,346,490,553</u>	<u>89,835,495</u>	<u>79,600,636</u>

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM79,600,636 to RM89,835,495 by way of:

- (a) issuance of ordinary shares via a private placement to eligible investor to fund a company's investment :

<u>Number of share</u>	<u>Price (RM)</u>	<u>Amount (RM)</u>
100,000,000	0.0100	1,000,000
300,000,000	0.0050	1,500,000
50,000,000	0.0066	330,000
253,947,100	0.0050	1,269,736
305,043,000	0.0082	2,501,352

- (b) issuances of new ordinary shares via equity-settled share options (ESOS) granted to employees :

<u>Number of share</u>	<u>Exercise Price (RM)</u>	<u>Amount (RM)</u>
312,000,000	0.00890	2,776,800
93,352,000	0.00918	856,971

## Notes to the Financial Statements

(Cont'd)

**18. SHARE CAPITAL (CONT'D)**

- (b) *issuances of new ordinary shares via equity-settled share options (ESOS) granted to employees (cont'd):*

The employee share option reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services rendered from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

The main features of the ESOS are as follows:

- i. Eligible persons are employees including Executive and Non-Executive Director which subject to the determination and absolute direction of the ESOS committee fulfilled the eligibility criteria set by the Board/ESOS committee.
- ii. The maximum number of new ordinary shares of the Company, which may be available under the scheme, shall not exceed in aggregate 30% of the total number of issued share capital of the Company at any point in time when an offer is made throughout the duration of the scheme.
- iii. The option price shall be determined by the ESOS Committee based on the 5-day volume weighted average market price of each ordinary share as quoted on Bursa Securities, immediately preceding the date of offer of the ESOS option.
- iv. The option may be exercised by the option holders by notice in writing to the Company in the prescribed form during the option period in respect of all or any part of the new ordinary shares of the Company comprised in the ESOS.

The newly issued shares rank pari passu in all respects with the previously issued shares. There was no issue of debentures by the Company during the financial year.

The holders of the 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 regards to the Company's residual assets.

## Notes to the Financial Statements

(Cont'd)

**19. RESERVE**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Non-distributable</b>				
Foreign currency translation reserve	8,814	10,099	-	-
	8,814	10,099	-	-
Accumulated losses	(17,210,443)	(12,596,817)	(39,296,643)	(37,408,621)
	<u>(17,201,629)</u>	<u>(12,586,718)</u>	<u>(39,296,643)</u>	<u>(37,408,621)</u>

The nature of reserves of the Group and the Company are as follows:

- a) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

**20. BORROWINGS**

	Group 2020 RM
Current	3,649,788
Non-current	47,946,637
	<u>51,596,425</u>

The maturity profile is as follows:

	2020 RM
Within one year	3,649,788
1 - 2 years	3,846,081
2 - 5 years	12,824,436
More than 5 years	31,276,120
	<u>51,596,425</u>

## Notes to the Financial Statements

(Cont'd)

**20. BORROWINGS (CONT'D)**

The bank borrowings are secured by the way of:

- a) Joint and several guarantee by the directors of the Company and third party
- b) First charge over the Company's investment property (Note 6); and
- c) Fixed deposits with licensed bank (Note 16)

Term loan interest is at 5.25% per annum.

**21. TRADE PAYABLES**

	Group	
	2020	2019
	RM	RM
Trade payables	6,522,016	4,188,621
	<u>6,522,016</u>	<u>4,188,621</u>

The normal trade credit terms granted by trade payables to the Group ranged from 30 to 150 days (2019: 30 to 150 days).

**22. OTHER PAYABLES AND ACCRUALS**

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Other payables	3,074,670	278,070	145,353	98,806
Accruals	<u>178,920</u>	<u>127,453</u>	<u>101,000</u>	<u>101,000</u>
	<u>3,253,590</u>	<u>405,523</u>	<u>246,353</u>	<u>199,806</u>

**23. AMOUNT OWING TO DIRECTORS**

The amounts owing are unsecured, interest free and repayable on demand.

## Notes to the Financial Statements

(Cont'd)

**24. REVENUE**

	Group	
	2020 RM	2019 RM
Sale and design of solar products	2,795,688	4,185,000
Rental income	1,591,956	-
	<u>4,387,644</u>	<u>4,185,000</u>

**25. LOSS BEFORE TAXATION**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Loss before taxation is stated <i>after charging</i> :				
Auditors' remuneration				
- current	169,000	176,172	97,000	108,172
Depreciation	1,372,473	312,384	170,661	170,660
Written-off other receivables	75,081	-	75,081	-
Impairment losses on:				
- Investment in subsidiaries	-	-	-	1,005,287
- Other investment	-	999,780	-	999,780
- plant, property and equipment	-	715,618	-	-
- land held for sale	153,266	-	-	-
Interest expenses	1,527,434	-	-	-
Written-off fixed asset	-	2,231	-	-
Staff costs ( <i>Note 28</i> )	<u>696,844</u>	<u>944,127</u>	<u>151,582</u>	<u>204,000</u>
<i>and crediting</i> :				
Interest income	(198)	-	(198)	-
Interest income of fixed deposit	(42,862)	(395,354)	-	(395,354)
Write-back other creditors	(38,696)	-	(38,696)	-
Realised gain on quoted share	1,781,061	-	1,781,061	-
Unrealised gain on quoted share	<u>(1,942,005)</u>	<u>-</u>	<u>(1,942,005)</u>	<u>-</u>

Notes to the Financial Statements

(Cont'd)

**26. INCOME TAX EXPENSE**

	Group and Company	
	2020	2019
	RM	RM
Malaysia income tax:		
- current year's provision	-	-
- under provision in prior year	17,743	-
	<u>17,743</u>	<u>-</u>

A reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate is as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Loss before taxation	<u>(5,463,297)</u>	<u>(5,465,944)</u>	<u>(1,888,022)</u>	<u>(3,795,559)</u>
Income tax expense at Malaysia statutory tax rate of 24% (2019: 24%)	(1,311,342)	(1,311,827)	(453,125)	(910,934)
• Adjustments for the following tax effects:				
- expenses not deductible for tax purposes	1,263,381	1,216,943	405,164	816,050
- income not subject to tax	47,961	94,884	47,961	94,884
- under provision in prior year	17,743	-	-	-
	<u>1,329,085</u>	<u>1,311,827</u>	<u>453,125</u>	<u>910,934</u>
	<u>17,743</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

(Cont'd)

**27. LOSS PER SHARE**Basic Loss Per Share

The basic loss per ordinary share as at 31 July 2020 is arrived at by dividing the Group's loss attributable to owners of the Company by the weighted average number of ordinary shares issued and calculated as follows:

	Group	
	2020	2019
Loss attributable to owners of the Company (RM)	<u>(4,613,626)</u>	<u>(5,465,944)</u>
Weighted average ordinary shares issued as at 31 July	<u>2,615,662,229</u>	<u>2,234,279,819</u>
Basic loss per share (Sen)	<u>(0.18)</u>	<u>(0.24)</u>

Diluted Loss Per Share

	Group	
	2020	2019
Loss attributable to owners of the Company (RM)	<u>(4,613,626)</u>	<u>(5,465,944)</u>
Weighted average ordinary shares issued as at 31 July	<u>2,615,662,229</u>	<u>2,234,279,819</u>
Diluted loss per share (Sen)	<u>(0.18)</u>	<u>(0.24)</u>

The Group has no dilution in its 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.

\* The diluted loss per ordinary share is not presented as the Warrants would be anti-dilutive since the exercise price is higher than the fair value of the Company's share.

Notes to the Financial Statements

(Cont'd)

**28. STAFF COSTS**

The staff costs recognised in profit or loss are as follows:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Salaries and wages	653,997	862,439	151,582	204,000
Defined contribution plan	35,614	72,764	-	-
Other employee benefits	7,233	8,924	-	-
	<u>696,844</u>	<u>944,127</u>	<u>151,582</u>	<u>204,000</u>

Included in staff costs are directors' remuneration who are also the key management personnel of the Group and of the Company:

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Directors' remuneration				
- fees	151,582	204,000	151,582	204,000
- director emoluments	-	-	-	-
- other benefits	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

(Cont'd)

### **29. RELATED PARTY DISCLOSURES**

(a) Identities of related parties

- (i) The Group has a controlling related party relationship with its subsidiary companies; and
- (ii) The directors of the Company who are the key management personnel.

The Group has related party relationships with the following:

a) Key Management Personnels:

- ONG KAH HOE
- ONG KAH WEE
- ONG KIM CHONG @ ONG HWEE CHOO
- TAN POO YOT
- ONG YEW MING
- DATO' KUA KHAI SHYUAN
- DATO' HAJI SOHAIMI BIN SHAHADAN
- DORIS WONG SING EE
- CHEN CHEE PENG
- KANG TEIK YIH

b) Companies Related To Directors:

- AUTONATION MOTORSPORT SDN BHD
- OCR LAND HOLDINGS SDN BHD
- OCR GROUP BERHAD
- OCR NOBLE LAND (CANARY) SDN BHD
- OCR NOBLE LAND (THE PANO) SDN BHD
- OCR NOBLE LAND (THE RESIDENT) SDN BHD
- OCR PROPERTIES (YOLO) SDN BHD
- O&C RESOURCES BERHAD
- UNILINK OUTDOOR SDN BHD
- WONDERLAND PROJECTS SDN BHD
- METRONIC GLOBAL BERHAD
- MNC WIRELESS BERHAD
- DGB ASIA BERHAD
- NEXTGREEN GLOBAL BERHAD

## Notes to the Financial Statements

(Cont'd)

**29. RELATED PARTY DISCLOSURES (CONT'D)**

- (b) In addition to the transactions detailed elsewhere in the financial statements, the Group and the Company carried out the following transactions with the related parties during the financial period:

*Key management compensation*

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Short term employee benefits	327,030	327,030	327,030	327,030
Long term employee benefits	-	-	-	-

*Loan obtained from / (repayment to):*

	Group		Company	
	2020	2019	2020	2019
	RM	RM	RM	RM
Companies related to Directors	(14,265,085)	-	-	-
Directors	440	-	-	-

Loan obtained from / (repayment to) companies related to directors, directors and holding companies are unsecured, interest free, cash term and payable upon demand in cash and cash equivalent.

The directors are of the opinion that all the transactions above has been entered into in the normal course of business and have been established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties.

## Notes to the Financial Statements

(Cont'd)

### **30. OPERATING SEGMENTS**

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as chief operating decision makers in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into main business segments as follows:-

- (i) Trading  
Selling of solar panels and related products.
- (ii) Construction  
Involve in the construction of residential development.
- (iii) Investment holding  
Investment of quoted and unquoted shares.
- (iv) Property Investment  
Collection of buildings rental.
- (v) Others  
Dormant.

Notes to the Financial Statements

(Cont'd)

**30. OPERATING SEGMENTS (CONT'D)**

Other segments comprise companies providing management services and dormant companies. The Executive Directors assess the performance of the operating segments based on operating profits or losses which is measured differently from those disclosed in the financial statements.

The Executive Directors are of the opinion that all inter segment transactions are entered into in the normal course of business and are at arm's length basis in a manner similar to transactions with third parties.

**Business Segments**

Group	Trading	Construction	Investment	Property	Others	Elimination	Total
2020	RM	RM	holding	investment	RM	RM	RM
			RM	RM			
<b>Revenue</b>							
External revenue	2,795,688	-	-	1,591,956	-	-	4,387,644
<b>Results</b>							
Segment results	(1,265,041)	(123,412)	(3,875,027)	(2,193,423)	(36,029)	-	(7,492,932)
Interest income	-	-	1,987,005	42,630	-	-	2,029,635
Loss before taxation	(1,265,041)	(123,412)	(1,888,022)	(2,150,793)	(36,029)	-	(5,463,297)
Income tax expense	-	-	-	(17,743)	-	-	(17,743)
Loss after taxation	(1,265,041)	(123,412)	(1,888,022)	(2,168,536)	(36,029)	-	(5,481,040)

## Notes to the Financial Statements

(Cont'd)

**30. OPERATING SEGMENTS (CONT'D)****Business Segments**

Group 2020	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
<b>Assets</b>							
Segment assets	31,045,676	28,864,011	50,881,270	66,615,499	2,463,516	(50,856,755)	129,013,217
<b>Liabilities</b>							
Segment liabilities	92,744,148	27,120,615	342,418	63,180,916	2,681,668	(124,121,448)	61,948,317
<b>Other information</b>							
Depreciation							
- plant, property and equipment	116,752	558	170,661	10,833	-	-	298,804
- investment property	-	-	-	1,073,669	-	-	1,073,669

Notes to the Financial Statements

(Cont'd)

**30. OPERATING SEGMENTS (CONT'D)**

**Business Segments**

Group	Trading	Construction	Investment holding	Others	Elimination	Total
2019	RM	RM	RM	RM	RM	RM
<b>Revenue</b>						
External revenue	4,185,000	-	-	-	-	4,185,000
<b>Results</b>						
Segment results	(2,212,305)	(409,967)	(3,181,639)	(57,388)	-	(5,861,299)
Interest income	-	-	395,354	-	-	395,354
Loss before taxation	(2,212,305)	(409,967)	(2,786,285)	(57,388)	-	(5,465,945)
Income tax expense	-	-	-	-	-	-
Loss after taxation	(2,212,305)	(409,967)	(2,786,285)	(57,388)	-	(5,465,945)
<b>Assets</b>						
Segment assets	34,182,883	28,825,075	43,445,218	6,902	-	106,460,078
<b>Liabilities</b>						
Segment liabilities	94,616,314	27,031,679	247,917	114,195	-	122,010,105
<b>Other information</b>						
Depreciation	116,752	558	170,661	-	-	287,971
Impairment losses on:						
- plant, property and equipment	715,618	-	-	-	-	715,618
Loss on disposal of property, plant and equipment	-	-	2,232	-	-	2,232
Unrealised loss of quoted share	-	-	870,158	-	-	870,158

## Notes to the Financial Statements

(Cont'd)

**30. OPERATING SEGMENTS (CONT'D)**Geographical information

	Group	
	2020	2019
	RM	RM
Malaysia	4,387,644	4,185,000
Singapore	-	-
	<u>4,387,644</u>	<u>4,185,000</u>

Information about major customers

Major customers' information are revenues from transactions with a single external customer, the amount of which is ten per cent (10%) or more of the Group revenue. A group of entities known to a reporting entity to be under common control shall be considered a single customer.

	Group	
	2020	2019
	RM	RM
Customer I	2,795,688	4,185,000
Customer II	-	-
Customer III	-	-
	<u>-</u>	<u>-</u>

## Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS**

The Group's and the Company's activities are exposed to interest rate risk, credit risk, foreign currency risk and liquidity and cash flow risks. The Group's and the Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance.

**(a) Financial Risk Management Policies**

The Group's and the Company's financial risk management policy seek to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing their interest rate risk, credit risk, foreign currency risk and liquidity and cash flow risks. The Group's and the Company's policies in respect of the major areas of treasury activity are as follows: -

**(i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposures to interest rate risk arise mainly from interest bearing borrowings. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and of the Company will be placed with licensed financial institutions to generate interest income.

**(ii) Credit Risk**

The Group's and the Company's exposures to credit risk, or the risk of counterparties defaulting, arise mainly from receivables. The maximum exposure to credit risk is represented by the carrying amount of this financial asset in the statements of financial position reduced by the effects of any netting arrangements with counterparties.

The Group and the Company establish an allowance for impairment loss that represents their estimate of incurred losses in respect of the trade and other receivables as appropriate. The main component of this allowance is a specific loss component that relates to individually significant exposures. Impairment is estimated by management based on prior experience and the current economic environment.

## Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)**(a) Financial Risk Management Policies (cont'd)

## (ii) Credit Risk (cont'd)

Credit Risk Concentration Profile

The Group has no significant concentration of credit risk that may arise from exposure to a single receivable or to groups of receivables except for the amount owing by a (2019: One) major customer constituting approximately 90% (2019: 90%) of all the outstanding trade receivables of the Group at reporting date.

The Company has no significant concentration of credit risks except for advances to its subsidiary companies and corporate guarantees to licensed banks on subsidiary company's credit facilities.

Exposure to Credit Risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

Ageing Analysis

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

	Group	
	2020	2019
	RM	RM
Not past due	1,106,370	1,395,000
Past due but not impaired:		
- 31 to 90 days	49,991	-
- more than 90 days	2,864,661	4,987,029
	2,914,652	4,987,029
Impaired	3,544,629	3,544,629
	7,565,651	9,926,658

The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due of more than 90 days, which are deemed to have higher credit risk, are monitored individually.

## Notes to the Financial Statements

(Cont'd)

### **31. FINANCIAL INSTRUMENTS (CONT'D)**

#### **(a) Financial Risk Management Policies (cont'd)**

##### **(ii) Credit Risk (cont'd)**

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

Trade receivables that are past due but not impaired are unsecured in nature. They are creditworthy receivables.

Trade receivables that were individually impaired were those in financial difficulties and have defaulted in payments.

##### **(iii) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group and the Company are predominantly operate in Malaysia. The Group and the Company have no exposures to foreign currency risk as the transactional currencies are all based on the functional currency of the Group and of the Company.

##### **(iv) Liquidity and Cash Flow Risks**

Liquidity and cash flow risks are the risks that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group's and the Company's exposures to liquidity and cash flow risks arise mainly from general funding and business activities. The Group and the Company practise risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following tables set out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

## Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)****(a) Financial Risk Management Policies (cont'd)****(iv) Liquidity and Cash Flow Risks (cont'd)**

<i>Group</i>	Carrying amount	Contractual undiscounted cash flows		On demand or within		More than	
		RM	RM	1 year	1 - 2 years	2 - 5 years	5 years
2020				RM	RM	RM	RM
Trade payables	6,522,016	6,522,016	6,522,016	-	-	-	-
Other payables and accruals	3,253,590	3,253,590	3,253,590	-	-	-	-
Amount owing to directors	574,949	574,949	574,949	-	-	-	-
Borrowings	51,596,425	51,596,425	3,649,788	3,846,081	12,824,436	31,276,120	
	61,946,980	61,946,980	14,000,343	3,846,081	12,824,436	31,276,120	
2019							
Trade payables	4,188,621	4,188,621	4,188,621	-	-	-	-
Other payables and accruals	405,523	405,523	405,523	-	-	-	-
Amount owing to directors	157,152	157,152	157,152	-	-	-	-
	4,751,296	4,751,296	4,751,296	-	-	-	-

Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)**

(a) Financial Risk Management Policies (cont'd)

(iv) Liquidity and Cash Flow Risks (cont'd)

<i>Company</i>	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM
2020			
Other payables and accruals	246,353	246,353	246,353
Amount owing to directors	96,065	96,065	96,065
	342,418	342,418	342,418
2019			
Other payables and accruals	199,806	199,806	199,806
Amount owing to directors	48,110	48,110	48,110
	247,916	247,916	247,916

## Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)****(b) Capital Risk Management**

The Group and the Company manage their capital to ensure that the Group and the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjust the amount of dividends paid to shareholders, return capital to shareholders and issuing new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt for the Group is calculated as short term borrowing, trade and other payables, amount owing to directors plus accruals less cash and cash equivalents. Net debt for the Company is calculated as other payables and accruals plus amount owing to directors less cash and cash equivalents.

The debt-to-equity ratios of the Group and of the Company as at the end of the financial year were as follows:

	2020	2019	2020	2019
	RM	RM	RM	RM
Trade payables	6,522,016	4,188,621	-	-
Other payables and accruals	3,253,590	405,523	246,353	199,806
Amount owing to directors	574,949	157,152	96,065	48,110
Borrowings	51,596,425	-	-	-
	61,946,980	4,751,296	342,418	247,916
<i>Less: Cash and cash equivalents</i>	<u>(6,148,245)</u>	<u>(3,401,368)</u>	<u>(3,867,796)</u>	<u>(3,359,895)</u>
Net debt	<u>55,798,735</u>	<u>1,349,928</u>	<u>(3,525,378)</u>	<u>(3,111,979)</u>
Total equity	<u>67,064,900</u>	<u>67,013,918</u>	<u>50,538,852</u>	<u>42,192,015</u>
Debt-to-equity ratio	<u>0.83</u>	<u>0.02</u>	<u>(0.07)</u>	<u>(0.07)</u>

\* As the Company had deficits in shareholders' equity, the debt-to-equity ratio may not provide a good indicator of risk of borrowings.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)**

(c) Classification of Financial Instruments

2020	Group RM	Company RM
Financial Assets		
<u>At amortised cost</u>		
Trade receivables	4,021,022	-
Other receivables and deposits	200,676	33,984
Amount owing by subsidiary companies	-	9,497,307
Cash and cash equivalents	6,148,245	3,867,796
Non current asset held for sale	2,850,000	-
	<u>13,219,943</u>	<u>13,399,087</u>
Financial Liabilities		
<u>At amortised cost</u>		
Trade payables	6,522,016	-
Other payables and accruals	3,253,590	246,353
Amount owing to directors	574,949	96,065
Borrowings	51,596,425	-
	<u>61,946,980</u>	<u>342,418</u>

## Notes to the Financial Statements

(Cont'd)

**31. FINANCIAL INSTRUMENTS (CONT'D)**(c) Classification of Financial Instruments (cont'd)

2019	Group RM	Company RM
Financial Assets		
<u>Fair value through profit or loss</u>		
Other investment	<u>875,595</u>	<u>875,595</u>
<u>At amortised cost</u>		
Trade receivables	6,382,029	-
Other receivables and deposits	13,060,874	13,029,344
Amount owing by subsidiary companies	-	5,179,154
Cash and cash equivalents	<u>3,401,368</u>	<u>3,359,895</u>
	<u>22,844,271</u>	<u>21,568,393</u>
Financial Liabilities		
<u>At amortised cost</u>		
Trade payables	4,188,621	-
Other payables and accruals	405,523	199,806
Amount owing to directors	<u>157,152</u>	<u>48,110</u>
	<u>4,751,296</u>	<u>247,916</u>

(d) Fair Values of Financial Instruments

The carrying amounts of the financial assets and financial liabilities reported in the financial statements approximated their fair values, either due to their nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Fair value estimates are made at a specific point in time and based on relevant market information and information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

## Notes to the Financial Statements

(Cont'd)

### **31. FINANCIAL INSTRUMENTS (CONT'D)**

#### (e) Fair Value Hierarchy

##### (i) Level 1 fair value

Level I fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

##### (ii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

##### Non-derivative financial instruments

Fair value, which is determined for disclosure purpose, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

##### (iii) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using observable inputs.

## Notes to the Financial Statements

(Cont'd)

### **32. SIGNIFICANT EVENT**

"The Coronavirus disease 2019 ("COVID-19") pandemic has interrupted the movement of people and goods throughout the world, and many levels of government are instituting restrictions on individuals and businesses, including Malaysia, where majority of the Company's operations are located. In relation to this, the Government of Malaysia has issued a Federal Government Gazette on 18 March 2020 imposing a Movement Control Order ('MCO') effective from 18 March 2020 up until 6 June 2020.

As at the date of the authorisation of the financial statements, the Company has determined that these events are non-adjusting subsequent events in accordance with MFRS 110 Events after the Reporting Period. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Company for future periods.

Notwithstanding of the above, the Company anticipates that the effects of COVID-19 might / would be recognized in the financial statements for the financial year ending 31 December 2020. The effects of COVID-19 would potentially impact the judgements and assumptions used in the preparation of the financial statements for the financial year ending 31 December 2020, such as expected credit losses of financial assets ("ECL"), fair value measurements of financial instruments, assessments of assets (property, plant and equipment and goodwill), financial asset and non-financial asset; and liabilities that will affect the group in totality.

### **33. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS**

These financial statements were authorised for issue on 25 November 2020 by the Board of Directors.

# PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.										

## TRIVE PROPERTY GROUP BERHAD

Registration No. 200401029337(667845-M)  
(Incorporated in Malaysia)

\*I/We ..... (\*NRIC No./Passport No./ Company No. ....)

of .....

being a \*member/members of the abovenamed Company hereby appoint

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

\*and/or

Full Name in Block Letters	NRIC / Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Telephone No.			

or failing whom, the Chairman of the meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the 14<sup>th</sup> Annual General Meeting ("AGM") of the Company to be conducted entirely through live streaming from the Broadcast Venue at Level 4, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 13 January 2021 at 11.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		IN FAVOUR	AGAINST
1	To re-elect Chen Chee Peng as a director of the Company		
2	To re-elect Kang Teik Yih as a director of the Company		
3	To approve the payment of directors' fees		
4	To approve the payment of directors' benefits		
5	To re-appoint Messrs. Jamal, Amin & Partners as auditors of the Company		
6	To authorise the directors to allot and issue new shares		
SPECIAL RESOLUTION		IN FAVOUR	AGAINST
1	To approve the amendments to the Constitution		

Please indicate with an "x" in the appropriate spaces provided above on how you wish your vote to be cast. If no specific direction as to voting is given, the proxy may vote as he thinks fit.

Signed this ..... day of .....

.....  
Signature(s)/Common Seal of member(s)

### Notes :

- For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 07 January 2021. Only a depositor whose name appears on the Record of Depositors as at 07 January 2021 shall be entitled to attend the AGM or appoint proxies to attend and/vote on his/her behalf.
- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll. The proxy form transmitted by facsimile or electronic mail will not be accepted unless the original copy is received at the registered office during the office hour a day before the meeting.
- A member shall be entitled to appoint of up to a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("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. Where a member is an Exempt Authorised Nominee, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- Members are advised to refer to the Letter to Shareholders and follow the procedures set out therein in order to participate remotely via the Remote Participation and Voting (RPV) platform.

\*Strike out whichever is not applicable.



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AFFIX  
STAMP

The Company Secretaries  
**TRIVE PROPERTY GROUP BERHAD**  
Registration No. 200401029337 (667845-M)  
51-21-A Menara BHL Bank  
Jalan Sultan Ahmad Shah  
10050 Penang

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**TRIVE PROPERTY GROUP BERHAD**

Registration No: 200401029337 (667845-M)

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No.8 Jalan Kerinchi  
Bangsar South  
59200 Kuala Lumpur  
Email : [info@trivegroup.com.my](mailto:info@trivegroup.com.my)  
[www.trivegroup.com.my](http://www.trivegroup.com.my)