SAMAIDEN GROUP BERHAD

[Registration No.: 201901037874 (1347204-V)]
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

30 JUNE 2022

Registered office:
Unit 30-01, Level 30
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Principal place of business:
No. 7, Lorong Teknologi 3/4A
Nouvelle Industrial Park 2
Taman Sains Selangor 1
Kota Damansara
47810 Petaling Jaya
Selangor Darul Ehsan

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(Incorporated in Malaysia)

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SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

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 30 June 2022.

Principal Activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

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

Financial Results

	Group RM	Company RM
Profit/(Loss) for the financial year	11,928,136	(966,030)
Attributable to:		
Owners of the Company	11,930,499	(966,030)
Non-controlling interests	(2,363)	-
	11,928,136	(966,030)

Reserves and Provisions

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

Dividends

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

Issuance of Shares and Debentures

During the financial year, the Company increased its issued and paid-up share capital from RM35,584,763 to RM60,894,563 by way of:

(a) issuance of 4,000 new ordinary shares from the conversion of warrants at the conversion price of RM1.20 per warrant in accordance with the Deed Poll dated 1 June 2021 for total consideration of RM4,800 for working capital purposes;

(b) issuance of 4,200,000 new ordinary shares pursuant to private placement exercise to an investor at issue price of RM0.945 per ordinary share for total consideration of RM3,969,000 for investment purposes;

(c) issuance of 16,800,000 new ordinary shares pursuant to private placement exercise to an investor at issue price of RM1.27 per ordinary share for total consideration of RM21,336,000 for investment purposes; and

(d) issuance of 154,001,043 new ordinary shares pursuant to bonus issue on the basis of two (2) bonus shares for every three (3) existing ordinary shares of the Company.

There were no issuance debentures during the financial year.

Warrants 2021/2026

The Warrants are constituted by the Deed Poll dated 1 June 2021 ("Deed Poll").

On 22 June 2021, 105,000,000 Warrants ("Warrants") were issued free by the Company pursuant to the bonus issue on the basis of one (1) Warrant for every two (2) existing ordinary shares held.

The salient features of the Warrants are as follows:

Terms	**Details**
Form	The Warrants were issued in registered form and constituted by the Deed Poll.
Board lot	For the purposes of trading on Bursa Securities, a board lot of Warrants shall comprise one hundred (100) warrants carrying right to subscribe for 100 new shares at any time during the exercise period, or such denomination as determined by Bursa Securities.
Listing	Approval has been obtained from Bursa Securities on 6 May 2021 for the admission of the Warrants to the Official List of Bursa Securities, and for the listing of and quotation for the new shares arising from the exercise of the Warrants.
Expiry date	Five (5) years from the date of issuance of the Warrants.

Warrants 2021/2026 (Cont'd)

The salient features of the Warrants are as follows: (Cont'd)

Terms	Details
Exercise period	The Warrants may be exercised at any time within the period commencing from the date of issue of the Warrants and will be expiring on 21 June 2026. Any Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid.
Exercise price	RM1.20 payable in full upon exercise of each Warrant.
Exercise rights	Each Warrant carries the entitlement, at any time during the Exercise Period, to subscribe for one (1) new ordinary share in the Company at the Exercise Price.
Participating rights	The Warrant holders are not entitled to vote in any general meetings of the Company or participation in any form of distribution other than on winding-up, compromise or arrangement of Company and/or in any offer of further securities in the Company until and unless the Warrant holder becomes a shareholder of Company by exercising his/her Warrants into new Company's Shares or unless otherwise resolved by Company in a general meeting.
Ranking of new Company's shares	The new Company's shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank pari passu in all respects with the existing Company's shares, save and except that the new Company's shares will not be entitled to any dividends, rights, allotments and/or other forms of distributions, that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of such new Company's shares.
Governing law	Laws and regulations of Malaysia.

During the financial year, the respective exercise prices and number of warrants over ordinary shares have been adjusted in accordance with the provision of the respective Deed Polls as a result of the Bonus Issues.

The adjustments to the exercise prices of warrants are as follows:

	RM
Before Bonus Issues	1.20
After Bonus Issues	0.72

Warrants 2021/2026 (Cont'd)

The movements of the warrants during the financial year are as follows:

	Number of units			
	At 1.7.2021	Adjustment#	Exercised	At 30.6.2022
Warrants 2021/2026	105,000,000	69,996,015	(4,000)	174,992,015

Adjusted for Bonus Issues during the financial year.

Options Granted Over Unissued Shares

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

Directors

The Directors in office during the financial year until the date of this report are:

Dato' Dr Nadzri Bin Yahaya
Ir. Chow Pui Hee
Fong Yeng Foon
Lim Poh Seong
Olivia Lim

The names of Directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those Directors mentioned above, are as follows:

Dato' Syamshuar Bin Husin

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

Directors' Interest in Shares

The interests and deemed interests in the shares, and warrants over shares of the Company and of its related corporations of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.7.2021	**Bought/ Bonus Issues**	**Sold**	**At 30.6.2022**
Interest in the Company				
Direct Interests				
Ir. Chow Pui Hee	74,691,300	56,561,200	-	131,252,500
Fong Yeng Foon	74,153,700	34,877,000	(22,260,200)	86,770,500
Dato' Dr Nadzri Bin Yahaya	100,000	66,666	-	166,666
Lim Poh Seong	100,000	100,000	-	200,000
Indirect Interests				
Ir. Chow Pui Hee *	74,153,700	34,877,000	(22,260,200)	86,770,500
Fong Yeng Foon *	74,691,300	56,561,200	-	131,252,500

* Deemed interested through spouse's shareholding pursuant to Section 8 of the Companies Act 2016.

	Number of warrants			
	At 1.7.2021	**Bonus issue**	**Sold**	**At 30.6.2022**
Interest in the Company				
Direct Interests				
Ir. Chow Pui Hee	37,345,650	24,230,433	(1,000,000)	60,576,083
Fong Yeng Foon	37,076,850	11,167,700	(20,325,300)	27,919,250
Dato' Dr Nadzri Bin Yahaya	50,000	33,333	-	83,333
Lim Poh Seong	50,000	33,333	-	83,333
Indirect Interests				
Ir. Chow Pui Hee *	37,076,850	11,167,700	(20,325,300)	27,919,250
Fong Yeng Foon *	37,345,650	24,230,433	(1,000,000)	60,576,083

\# Deemed interested through spouse's warrants in the Company.

Directors' Interest in Shares (Cont'd)

By virtue of their interests in the shares of the Company, Ir. Chow Pui Hee and Fong Yeng Foon are also deemed interests in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

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

Directors' Benefits

Since the end of previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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.

The Directors' benefits of the Group are as follows:

	Group RM
Directors of the Company	
Salaries, wages and other emoluments	835,847
Defined contribution plans	100,080
	935,927

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 by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

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

Other Statutory Information

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

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

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

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

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

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

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

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

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

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

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

Other Statutory Information (Cont'd)

(d) In the opinion of the Directors:

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

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

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

Subsidiaries

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

Significant Event During the Financial Year

The significant event during the financial year is disclosed in Note 35 to the financial statements.

Auditors

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

The total amount of fees paid to or receivable by TGS TW PLT as remuneration for their services as auditors of the Group and of the Company for the financial year ended 30 June 2022 amounted to RM79,000 and RM30,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 6 September 2022.

IR. CHOW PUI HEE	FONG YENG FOON

KUALA LUMPUR

Registration No. 201901037874 (1347204-V)

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 19 to 82 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 30 June 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 6 September 2022.

IR. CHOW PUI HEE	FONG YENG FOON

KUALA LUMPUR

Registration No. 201901037874 (1347204-V)

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, Chong Kim Soong, being the Officer primarily responsible for the financial management of Samaiden Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 19 to 82 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala)
Lumpur in the Federal Territory on)
6 September 2022)

CHONG KIM SOONG
(MIA No.: 32612)

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SAMAIDEN GROUP BERHAD
[Registration No.: 201901037874 (1347204-V)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Samaiden Group Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 19 to 82.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of their financial performance and of 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 Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Report on the Audit of the Financial Statements (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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reasonableness of revenue recognition arising from contracts with customers
Refer to Notes 3(q) and 22 to the financial statements

Key audit matters	How we addressed the key audit matters
Consolidated revenue recorded by the Group during the financial year amounted to approximately RM151 million. The Group recognises revenue and cost by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. Judgement is required to assess the performance obligations and revenue recognition. Judgements impacting the revenue recognition are as follow: • interpreting of contract terms and conditions; • assessing and identifying the performance obligations; and • assessing the computation of revenue recognition.	We performed the following audit procedures, among others, around revenue recognition: • reviewing the contract terms and identifying performance obligations stipulated in the contracts; • evaluating whether the performance obligations are satisfied at a point in time or over time; • reviewing the reasonableness of budgeted cost and assessing reason for significant variances to budget; • evaluating the reasonableness of percentage completion using the input method; and • assessing the revenue recognised are in accordance with MFRS 15 *Revenue with Contract Customers*.

Report on the Audit of the Financial Statements (Cont'd)

Key Audit Matters (Cont'd)

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SAMAIDEN GROUP BERHAD (CONT'D)
[Registration No.: 201901037874 (1347204-V)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SAMAIDEN GROUP BERHAD (CONT'D)
[Registration No.: 201901037874 (1347204-V)]
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements (Cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

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

Other Matters

1. The financial statements of the Group and of the Company as at 30 June 2021, were audited by another firm of Chartered Accountants who expressed an unmodified opinion on the financial statements dated 14 October 2021.

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

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

OOI POH LIM
03087/10/2023 J
Chartered Accountant

KUALA LUMPUR
6 September 2022

Registration No. 201901037874 (1347204-V)

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	1,815,564	1,547,586	-	-
Right-of-use assets	5	3,404,363	312,100	-	-
Investment in subsidiaries	6	-	-	9,712,150	9,442,150
Deferred tax assets	7	143,000	122,000	-	-
		5,362,927	1,981,686	9,712,150	9,442,150
Current assets					
Inventories	8	691,659	327,775	-	-
Contract cost assets	9	-	1,000,000	-	-
Trade receivables	10	32,170,525	4,846,643	-	-
Other receivables	11	3,657,420	1,681,235	1,500	2,500
Contract assets	12	46,967,868	29,427,626	-	-
Amount due from subsidiaries	13	-	-	11,119,759	3,620,340
Tax recoverable		41,569	-	35,269	16,500
Short-term investments	14	52,091,386	29,733,544	38,087,975	20,967,744
Deposits with licensed banks	15	6,288,420	1,625,716	-	-
Cash and bank balances		21,832,682	8,052,051	405,942	871,002
		163,741,529	76,694,590	49,650,445	25,478,086
Total assets		169,104,456	78,676,276	59,362,595	34,920,236
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16(a)	60,894,563	35,584,763	60,894,563	35,584,763
Invested capital	16(b)	-	-	-	-
Foreign currency translation reserve	17(a)	1,260	-	-	-
Merger deficit	17(b)	(6,412,050)	(6,412,050)	-	-
Retained profits/(Accumulated losses)		31,512,780	19,582,281	(1,688,092)	(722,062)
Equity attributable to owners of the Company		85,996,553	48,754,994	59,206,471	34,862,701
Non-controlling interests		167,907	(9,730)	-	-
Total equity		86,164,460	48,745,264	59,206,471	34,862,701
LIABILITIES					
Non-current liabilities					
Lease liabilities	18	2,871,518	231,679	-	-
Borrowings	19	913,678	968,195	-	-
		3,785,196	1,199,874	-	-

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022 (CONT'D)

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES (CONT'D)					
LIABILITIES (CONT'D)					
Current liabilities					
Trade payables	20	61,438,363	26,717,894	-	-
Other payables	21	1,085,938	171,164	156,124	57,535
Contract liabilities	12	2,721,809	264,907	-	-
Tax payable		2,351,182	426,776	-	-
Lease liabilities	18	616,635	72,982	-	-
Borrowings	19	10,940,873	1,077,415	-	-
		79,154,800	28,731,138	156,124	57,535
Total liabilities		82,939,996	29,931,012	156,124	57,535
Total equity and liabilities		169,104,456	78,676,276	59,362,595	34,920,236

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Group		Company	
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
Revenue	22	150,722,506	53,449,182	-	-
Cost of sales		(125,197,563)	(41,757,910)	-	-
Gross profit		25,524,943	11,691,272	-	-
Other income		1,103,608	979,168	796,584	595,115
Administrative expenses		(9,334,107)	(4,657,803)	(1,739,955)	(1,289,417)
Net (loss)/reversal on impairment of financial assets		(491,330)	86,359	-	-
Profit/(Loss) from operation		16,803,114	8,098,996	(943,371)	(694,302)
Finance costs	23	(404,144)	(47,772)	-	-
Profit/(Loss) before tax	24	16,398,970	8,051,224	(943,371)	(694,302)
Taxation	25	(4,470,834)	(2,131,856)	(22,659)	-
Profit/(Loss) for the financial year		11,928,136	5,919,368	(966,030)	(694,302)
Other comprehensive income					
Item that are or may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		1,260	-	-	-
Other comprehensive income for the financial year, net of tax		1,260	-	-	-
Total comprehensive income/(loss) for the financial year		11,929,396	5,919,368	(966,030)	(694,302)
Profit/(Loss) for the financial year attributable to:					
Owners of the Company		11,930,499	5,922,448	(966,030)	(694,302)
Non-controlling interests		(2,363)	(3,080)	-	-
		11,928,136	5,919,368	(966,030)	(694,302)
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		11,931,759	5,922,448	(966,030)	(694,302)
Non-controlling interests		(2,363)	(3,080)	-	-
		11,929,396	5,919,368	(966,030)	(694,302)
Earnings per share:					
Basic (sen)	26	3.21	1.71		
Diluted (sen)	26	3.21	1.71		

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

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Attributable to owners of the Company							
		Non-distributable				Distributable			
	Note	Share capital RM	Invested capital RM	Merger deficit RM	Foreign currency translation reserve RM	Retained earnings RM	Total RM	Non-controlling interests RM	Total equity RM
Group									
At 1 July 2020		100	1,030,100	-	-	13,659,833	14,690,033	(6,650)	14,683,383
Total comprehensive income for the financial year		-	-	-	-	5,922,448	5,922,448	(3,080)	5,919,368
Transactions with owners:									
Issuance of shares via acquisition of subsidiaries	16(a)	7,442,150	(1,030,100)	(6,412,050)	-	-	-	-	-
Issuance of shares via public issue	16(a)	29,354,400	-	-	-	-	29,354,400	-	29,354,400
Listing expenses	16(a)	(1,211,887)	-	-	-	-	(1,211,887)	-	(1,211,887)
Transactions with owners		35,584,663	(1,030,100)	(6,412,050)	-	-	28,142,513	-	28,142,513
At 30 June 2021/1 July 2021		35,584,763	-	(6,412,050)	-	19,582,281	48,754,994	(9,730)	48,745,264
Total comprehensive income for the financial year		-	-	-	1,260	11,930,499	11,931,759	(2,363)	11,929,396
Transactions with owners:									
Issuance of shares via private placement	16(a)	25,305,000	-	-	-	-	25,305,000	-	25,305,000
Issuance of shares pursuant to warrants exercised	16(a)	4,800	-	-	-	-	4,800	-	4,800
Subscription of shares in a subsidiary by non-controlling interests		-	-	-	-	-	-	180,000	180,000
Transactions with owners		25,309,800	-	-	-	-	25,309,800	180,000	25,489,800
At 30 June 2022		60,894,563	-	(6,412,050)	1,260	31,512,780	85,996,553	167,907	86,164,460

SAMAIDEN GROUP BERHAD
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STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

		Attributable to owners of the Company		
		Non-distributable	**Distributable**	
		Share capital	**Accumulated losses**	**Total**
	Note	**RM**	**RM**	**RM**
Company				
At 1 July 2020		100	(27,760)	(27,660)
Total comprehensive loss for the financial year		-	(694,302)	(694,302)
Transactions with owners:				
Issuance of shares via acquisition of subsidiaries	16(a)	7,442,150	-	7,442,150
Issuance of shares via public issue	16(a)	29,354,400	-	29,354,400
Listing expenses	16(a)	(1,211,887)	-	(1,211,887)
Transactions with owners		35,584,663	-	35,584,663
At 30 June 2021/1 July 2021		35,584,763	(722,062)	34,862,701
Total comprehensive loss for the financial year		-	(966,030)	(966,030)
Transactions with owners:				
Issuance of shares via private placement	16(a)	25,305,000	-	25,305,000
Issuance of shares pursuant to warrants exercised	16(a)	4,800	-	4,800
Transactions with owners		25,309,800	-	25,309,800
At 30 June 2022		60,894,563	(1,688,092)	59,206,471

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

SAMAIDEN GROUP BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash Flows From Operating Activities					
Profit/(Loss) before tax		16,398,970	8,051,224	(943,371)	(694,302)
Adjustments for:					
Allowance for expected credit losses on trade receivables		517,671	-	-	-
Depreciation of property, plant and equipment		184,187	141,474	-	-
Depreciation of right-of-use assets		371,442	67,075	-	-
Fair value loss on short-term investments		302,752	251,458	374,470	300,415
Interest expenses		404,144	47,772	-	-
Interest income		(1,027,228)	(915,211)	(796,584)	(595,115)
Reversal of allowance for expected credit losses on trade receivables		(26,341)	(86,359)	-	-
Property, plant and equipment written off		57,659	-	-	-
Operating profit/(loss) before working capital changes		17,183,256	7,557,433	(1,365,485)	(989,002)
Changes in working capital:					
Inventories		(363,884)	(299,818)	-	-
Contract costs assets		1,000,000	(1,000,000)	-	-
Contract assets/liabilities		(15,083,340)	(32,801,942)	-	-
Receivables		(29,791,397)	1,743,110	1,000	(2,000)
Payables		35,635,243	14,942,464	98,589	29,275
Cash from/(used in) operations		8,579,878	(9,858,753)	(1,265,896)	(961,727)
Tax paid		(2,608,997)	(1,829,630)	(41,428)	(16,500)
Net cash from/(used in) operating activities		5,970,881	(11,688,383)	(1,307,324)	(978,227)
Cash Flows From Investing Activities					
Acquisition of shares in subsidiaries		-	-	-	(2,000,000)
Acquisition of additional shares in a subsidiary		-	-	(270,000)	-
Proceed from issuance of additional shares of a subsidiary to non-controling interest		180,000	-	-	-
Acquisition of property, plant and equipment		(509,824)	(214,714)	-	-
Acquisition of right-of-use assets	A	-	(24,500)	-	-
Fair value loss on short-term investments		(41,626)	(251,458)	(113,344)	(300,415)
Interest received		1,027,228	915,211	796,584	595,115
Placement of short-term investments		(221,432)	(4,955,311)	(221,432)	(4,955,311)
Placement of pledged deposits		(4,662,704)	(1,204,431)	-	-
Net cash (used in)/from investing activities		(4,228,358)	(5,735,203)	191,808	(6,660,611)

SAMAIDEN GROUP BERHAD
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (CONT'D)

		Group		Company	
		2022	**2021**	**2022**	**2021**
	Note	**RM**	**RM**	**RM**	**RM**
Cash Flows From Financing Activities					
Advanced to subsidiaries		-	-	(7,499,419)	(3,620,340)
Interest paid		(404,144)	(47,772)	-	-
Net drawdown of bankers' acceptance	**C**	8,847,234	1,039,143	-	-
Net drawdown of revolving credit	**C**	1,000,000	-	-	-
Proceed from issuance of shares		25,309,800	29,354,400	25,309,800	29,354,400
Repayments of lease liabilities	**B/C**	(280,213)	(48,668)	-	-
Repayments of term loans	**C**	(38,293)	(25,071)	-	-
Share issuance expenses		-	(1,211,887)	-	(1,211,887)
Net cash from financing activities		34,434,384	29,060,145	17,810,381	24,522,173
Net increase in cash and cash equivalents		36,176,907	11,636,559	16,694,865	16,883,335
Effect of foreign exchange differences		1,260	-	-	-
Cash and cash equivalents at the beginning of the financial year		32,830,284	21,193,725	16,883,435	100
Cash and cash equivalents at the end of the financial year		69,008,451	32,830,284	33,578,300	16,883,435
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		21,832,682	8,052,051	405,942	871,002
Deposits with licensed banks (Note 15)		6,288,420	1,625,716	-	-
Short-term investments (Note 14)		47,175,769	24,778,233	33,172,358	16,012,433
		75,296,871	34,456,000	33,578,300	16,883,435
Less: Deposits pledged with licensed banks (Note 15)		(6,288,420)	(1,625,716)	-	-
		69,008,451	32,830,284	33,578,300	16,883,435

SAMAIDEN GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS

A. Acquisition of right-of-use assets

	Group	
	2022	2021
	RM	RM
Total additions	3,463,705	314,500
Less: Acquisition through lease arrangement	(3,463,705)	(290,000)
Total cash payment	-	24,500

B. Cash outflows for leases as a lessee

	Group	
	2022	2021
	RM	RM
<u>Included in net cash from operating activities:</u>		
Payment relating to short-term leases	69,060	108,200
Payment relating to low-value assets	-	23,754
	69,060	131,954
<u>Included in net cash from financing activities:</u>		
Payment of lease liabilities	280,213	48,668
Payment on interest of lease liabilities	79,100	9,213
	359,313	57,881
	428,373	189,835

C. Reconciliations of liabilities arising from financing activities

	1.7.2021	Drawdown	Repayment	30.6.2022
	RM	RM	RM	RM
Group				
Bankers' acceptance	1,039,143	8,847,234	-	9,886,377
Revolving credit	-	1,000,000	-	1,000,000
Term loans	1,006,467	-	(38,293)	968,174
Lease liabilities	304,661	3,463,705	(280,213)	3,488,153
	2,350,271	13,310,939	(318,506)	15,342,704

	1.7.2020	Drawdown	Repayment	30.6.2021
	RM	RM	RM	RM
Group				
Bankers' acceptance	-	1,039,143	-	1,039,143
Term loans	1,031,538	-	(25,071)	1,006,467
Lease liabilities	63,329	290,000	(48,668)	304,661
	1,094,867	1,329,143	(73,739)	2,350,271

1. Corporate Information

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

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Company is located at No. 7, Lorong Teknologi 3/4A, Nouvelle Industrial Park 2, Taman Sains Selangor 1, Kota Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

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

2. Basis of Preparation

(a) Statement of compliance

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

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

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 have adopted the following amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial period.

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

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

Standard issued but not yet effective

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

		Effective dates for financial periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020	Amendments to MFRS 1 Amendments to MFRS 9 Amendments to Illustrative Examples accompanying MFRS 16 Amendments to MFRS 141	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023

2. **Basis of Preparation (Cont'd)**

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

Standard issued but not yet effective (Cont'd)

The Group and the Company have not applied the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group and the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Polices	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

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

The initial application of the above-mentioned new MFRSs and amendments to 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**

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

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions**

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

Judgements

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

<u>Determining the lease term of contracts with renewal and termination options - Group as lessee</u>

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

The Group includes the renewal period as part of the lease term for leases of office building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if to relocate the office building or suitable locations may not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

<u>Satisfaction of performance obligations in relation to contracts cost customers</u>

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations:

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Judgements (Cont'd)

Satisfaction of performance obligations in relation to contracts cost customers (Cont'd)

The Group recognises revenue over time in the following circumstances:

(a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point of time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Key sources of estimation uncertainty

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

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

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

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 8 to the financial statements.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets and contract assets at amortised cost

The Group and the Company review the recoverability of their receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's and Company's past history and existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables and contract assets are disclosed in Notes 10, 11, 12 and 13 to the financial statements.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 7 to the financial statements.

Revenue recognition

The Group recognises revenue from engineering, procurement, construction, and commissioning ("EPCC") services by reference to the progress using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 12 to the financial statements.

2. **Basis of Preparation (Cont'd)**

(c) **Significant accounting judgements, estimates and assumptions (Cont'd)**

Key sources of estimation uncertainty (Cont'd)

<u>Discount rate used in leases</u>

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

<u>Income taxes</u>

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

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

3. **Significant Accounting Policies**

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

(a) **Basis of consolidation**

(i) Subsidiaries

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

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(i) Subsidiaries (Cont'd)

Business combinations under common control are accounted for using the merger method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

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

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

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(i) Subsidiaries (Cont'd)

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

(ii) Changes in ownership interests in subsidiaries without change of control

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

(iii) Goodwill on consolidation

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

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

(iv) Loss of control

Upon the loses control of a subsidiary, the Group derecognised the assets and liabilities of the former subsidiary, including any goodwill, and non-controlling interests and other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is remeasured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

3. **Significant Accounting Policies (Cont'd)**

(a) **Basis of consolidation (Cont'd)**

(v) Non-controlling interests

Non-controlling interest represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company. It is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separate from equity attributable to owners of the Company.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even though it may result in deficit to non-controlling interests.

(b) **Foreign currency translation**

(i) Foreign currency transactions and balances

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(b) **Foreign currency translation (Cont'd)**

(ii) Foreign operations

The assets and liabilities of foreign operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at the rate of exchange prevailing at the reporting date. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

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

(c) **Property, plant and equipment**

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

(i) Recognition and measurement

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

3. **Significant Accounting Policies (Cont'd)**

(c) **Property, plant and equipment (Cont'd)**

(i) Recognition and measurement (Cont'd)

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Building	2%
Office equipment, furniture and fittings	20%
Motor vehicles	20%
Project equipment	20%
Renovation	20%

3. **Significant Accounting Policies (Cont'd)**

(c) **Property, plant and equipment (Cont'd)**

(iii) Depreciation (Cont'd)

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

(d) **Leases**

<u>As lessee</u>

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

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(m)(i) to the financial statements.

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

Office building	Over the lease terms
Motor vehicles	5 years

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

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

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

3. **Significant Accounting Policies (Cont'd)**

(d) **Leases (Cont'd)**

As lessee (Cont'd)

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

(e) **Financial assets**

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

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

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

(i) Financial assets at amortised cost

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

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

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial assets (Cont'd)**

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

(a) Debt instruments

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

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

(b) Equity instruments

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

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

The Group and the Company have not designated any financial assets as FVTOCI.

(iii) Financial assets at FVTPL

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

3. **Significant Accounting Policies (Cont'd)**

(e) **Financial assets (Cont'd)**

(iii) Financial assets at FVTPL (Cont'd)

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

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

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(f) **Financial liabilities**

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3. **Significant Accounting Policies (Cont'd)**

(g) **Financial guarantee contracts**

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

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

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

(h) **Offsetting of financial instruments**

Financial 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) **Inventories**

Inventories are stated at the lower of cost and net realisable value and determined using weighted average cost method.

Cost of finished goods consists of the expenditure incurred in bringing the inventories and other costs in bringing them to their existing location and condition.

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

(j) **Contract costs**

(i) Incremental costs of obtaining a contract

The Group recognises incremental costs of obtaining contracts with customers as an asset when the Group expects to recover these costs. When the amortisation period of the asset is one year or less, such costs are recognised as an expense immediately when incurred.

3. Significant Accounting Policies (Cont'd)

(j) Contract costs (Cont'd)

(ii) Costs to fulfil a contract

The Group recognises costs that relate directly to a contract (or an anticipated contract) with customer as an asset when the costs generate or enhance resources of the Group, will be used in satisfying performance obligation in the future and are recovered.

The contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Any impairment loss recovered shall be reversed to the extent of the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(k) Contract assets and contract liabilities

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9.

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

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of pledged deposits, if any.

(m) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories 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.

3. **Significant Accounting Policies (Cont'd)**

(m) **Impairment of assets (Cont'd)**

(i) **Non-financial assets (Cont'd)**

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to 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. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

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

3. **Significant Accounting Policies (Cont'd)**

(m) **Impairment of assets (Cont'd)**

(ii) **Financial assets**

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

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

(n) **Share capital**

(i) Ordinary shares

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

(ii) Warrants

Warrants are classified as equity instruments and its value is allocated based on the Trinomial pricing model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants. Upon exercise of warrants the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

3. **Significant Accounting Policies (Cont'd)**

(o) **Provisions**

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

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

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

(p) **Employee benefits**

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees 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.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group and the Company have no further payment obligations.

3. **Significant Accounting Policies (Cont'd)**

(q) **Revenue recognition**

(i) Revenue from contract with customers

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

The Group and the Company recognise revenue from the following major sources:

(a) EPCC services

Revenue from EPCC services related to solar photovoltaic systems and power plants is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs.

Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Renders of services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to services performed to date as a percentage of total services to be performed.

3. **Significant Accounting Policies (Cont'd)**

(q) **Revenue recognition (Cont'd)**

(ii) Interest income

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

(iii) Management fee

Management fee is recognised on accrual basis when services are rendered.

(r) **Borrowing costs**

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

(s) **Income taxes**

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

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

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

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period.

3. **Significant Accounting Policies (Cont'd)**

(s) **Income taxes (Cont'd)**

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

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

(t) **Operating segments**

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

(u) **Contingencies**

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

(v) **Related parties**

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group if that person:
   (i) has control or joint control over the Group;
   (ii) has significant influence over the Group; or
   (iii) is a member of the key management personnel of the Group.

3. **Significant Accounting Policies (Cont'd)**

(v) **Related parties (Cont'd)**

(b) An entity is related to the Group if any of the following conditions applies:
 (i) The entity and the Group are members of the same group.
 (ii) The entity is an associate or joint venture of the other entity.
 (iii) Both entities are joint ventures of the same third party.
 (iv) The entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
 (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group or an entity related to the Group.
 (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the Group.
 (viii) The entity, or any member of a company of which it is a party, provides key management personnel services to the Group.

4. **Property, Plant and Equipment**

	Building RM	Office equipment, furniture and fittings RM	Motor vehicles RM	Project equipment RM	Renovation RM	Total RM
Group						
Cost						
At 1 July 2020	1,211,151	268,892	56,000	82,541	98,685	1,717,269
Additions	-	165,003	-	505	49,206	214,714
At 30 June 2021	1,211,151	433,895	56,000	83,046	147,891	1,931,983
Additions	-	243,595	-	12,102	254,127	509,824
Written off	-	(33,850)	-	-	(49,206)	(83,056)
At 30 June 2022	1,211,151	643,640	56,000	95,148	352,812	2,358,751
Accumulated depreciation						
At 1 July 2020	18,167	113,220	49,467	25,635	36,434	242,923
Charge for the financial year	24,223	67,697	6,533	15,903	27,118	141,474
At 30 June 2021	42,390	180,917	56,000	41,538	63,552	384,397
Charge for the financial year	24,223	100,497	-	16,532	42,935	184,187
Written off	-	(10,635)	-	-	(14,762)	(25,397)
At 30 June 2022	66,613	270,779	56,000	58,070	91,725	543,187
Carrying amount						
At 30 June 2021	1,168,761	252,978	-	41,508	84,339	1,547,586
At 30 June 2022	1,144,538	372,861	-	37,078	261,087	1,815,564

4. **Property, Plant and Equipment (Cont'd)**

The building of the Group has been pledged to licensed bank as security for banking facilities granted to a subsidiary as disclosed in Note 19 to the financial statements.

5. **Right-Of-Use Assets**

	Motor vehicles RM	Office building RM	Total RM
Group			
Cost			
At 1 July 2020	99,500	-	99,500
Additions	314,500	-	314,500
At 30 June 2021	414,000	-	414,000
Additions	-	3,463,705	3,463,705
At 30 June 2022	414,000	3,463,705	3,877,705
Accumulated depreciation			
At 1 January 2020	34,825	-	34,825
Charge for the financial year	67,075	-	67,075
At 30 June 2021	101,900	-	101,900
Charge for the financial year	82,800	288,642	371,442
At 30 June 2022	184,700	288,642	473,342
Carrying amount			
At 30 June 2021	312,100	-	312,100
At 30 June 2022	229,300	3,175,063	3,404,363

The motor vehicles of the Group are pledged as securities for the related lease liabilities as disclosed in Note 18 to the financial statements.

6. Investment in Subsidiaries

	Company 2022 RM	Company 2021 RM
Unquotes shares, at cost	9,712,150	9,442,150

Details of the subsidiaries are as follows:

Name of company	Place of business / Country of incorporation	Effective interest (%) 2022	Effective interest (%) 2021	Principal activities
Samaiden Sdn. Bhd. (“SSB”)	Malaysia	100	100	EPCC of solar photovoltaic system and power plants and provision of operations and maintenance services.
Samaiden Consultancy Sdn. Bhd. (“SCSB”)	Malaysia	100	100	Provision of consultancy services in relation to renewable energy.
SC Green Solutions Sdn. Bhd. (“SCGS”)	Malaysia	60	60	Dormant.
Samaiden Capital Management Sdn. Bhd. (“SCMSB”)	Malaysia	100	100	Dormant.
<u>Held through SSB</u>				
Samaiden Energy (Vietnam) Limited Liability Company (“SEVLLC”)[#]	Vietnam	100	-	Dormant.

[#] Subsidiary not audited by TGS TW PLT.

<u>Incorporation of a subsidiary</u>

On 15 November 2021, the Group through its wholly owned subsidiary, SSB, incorporated a subsidiary, SEVLLC, for total cash consideration of Vietnamese Dong (“VND”) 115,900,000 (equivalent to United States Dollar (“USD”) 5,000 or RM20,753).

6. Investment in Subsidiaries (Cont'd)

Subscription of additional shares in a subsidiary

On 13 December 2021, the Company subscribed additional 270,000 newly issued shares of SCGS at RM1 each, for total cash consideration of RM270,000, which did not result in changes in effective equity interest as the non-controlling interest subscribed additional 180,000 newly issued shares of SCGS of RM1 each for total cash consideration of RM180,000 to maintain the same equity interest.

Non-controlling interests

Summarised financial information of non-controlling interests have not been presented as the non-controlling interests of the subsidiary is not individually material to the Group.

7. Deferred Tax Assets

	Group	
	2022	**2021**
	RM	**RM**
Brought forward	122,000	-
Recognised in profit or loss	115,000	122,000
Over provision in prior financial year	(94,000)	-
Carried forward	143,000	122,000

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

	Group	
	2022	**2021**
	RM	**RM**
Deferred tax liabilities	(25,000)	(2,004)
Deferred tax assets	168,000	124,004
	143,000	122,000

7. **Deferred Tax Assets (Cont'd)**

The components and movement of deferred tax assets and liabilities at the end of the reporting date prior to offsetting are as follows:

Deferred tax liabilities	**Property, plant and equipment RM**	**Total RM**
Group		
At 1 July 2021	2,004	2,004
Recognised in profit or loss	3,000	3,000
Under provision in prior financial year	19,996	19,996
At 30 June 2022	25,000	25,000
At 1 July 2020	-	-
Recognised in profit or loss	2,004	2,004
At 30 June 2021	2,004	2,004

Deferred tax assets	**Provision RM**	**Other temporary differences RM**	**Total RM**
Group			
At 1 July 2021	122,000	2,004	124,004
Recognised in profit or loss	118,000	-	118,000
Over provision in prior financial year	(72,000)	(2,004)	(74,004)
At 30 June 2022	168,000	-	168,000
At 1 July 2020	-	-	-
Recognised in profit or loss	122,000	2,004	124,004
At 30 June 2021	122,000	2,004	124,004

8. Inventories

	Group 2022 RM	Group 2021 RM
Project materials	691,659	327,775
Recognised in profit or loss		
Inventories recognised as cost of sales	96,685,564	18,407,402

9. Contract Cost Assets

	Group 2022 RM	Group 2021 RM
Cost to fulfil a contract	-	1,000,000

The costs to fulfil a contract represent costs incurred that is used to fulfil the contract in future. The costs are to be amortised, consistent with the pattern of recognition of the associated revenue.

10. Trade Receivables

	Group 2022 RM	Group 2021 RM
Trade receivables	31,089,703	4,373,754
Retention sum	1,778,944	679,681
Less: Allowance for ECLs	(698,122)	(206,792)
	32,170,525	4,846,643

Trade receivables are non-interest bearing and are generally from 30 to 60 days (2021: 30 to 45 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

10. Trade Receivables (Cont'd)

The movement in allowance for ECLs of trade receivables is as follows:

	Group	
	2022	**2021**
	RM	**RM**
Brought forward	206,792	366,291
Addition during the financial year	517,671	-
Reversal during the financial year	(26,341)	(86,359)
Written off during the financial year	-	(73,140)
Carried forward	698,122	206,792

The loss allowance account in respect of trade receivables is used to record loss allowance unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivables directly.

Impairment loss is reversed when payment received from third parties.

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
2022			
Not past due	16,899,094	(33,264)	16,865,830
Past due:			
Less than 30 days	10,864,488	(43,458)	10,821,030
31 to 60 days	595,412	(4,525)	590,887
61 to 90 days	2,019,720	(22,621)	1,997,099
More than 90 days	1,972,262	(76,583)	1,895,679
	32,350,976	(180,451)	32,170,525
Credit impaired:			
Past due more than 90 days	517,671	(517,671)	-
	32,868,647	(698,122)	32,170,525

10. Trade Receivables (Cont'd)

The following table provide information about the exposure to credit risk and ECLs for trade receivables: (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Group (Cont'd)			
2021			
Not past due	2,862,335	(5,748)	2,856,587
Past due:			
Less than 30 days	481,379	(5,692)	475,687
31 to 60 days	550,366	(19,675)	530,691
61 to 90 days	184,360	(29,062)	155,298
More than 90 days	934,995	(106,615)	828,380
	5,013,435	(166,792)	4,846,643
Credit impaired:			
Past due more than 90 days	40,000	(40,000)	-
	5,053,435	(206,792)	4,846,643

11. Other Receivables

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Deposits	314,715	131,014	1,500	2,500
Advanced payments to suppliers	3,241,457	1,503,299	-	-
Interest receivables	-	13,872	-	-
Prepayments	101,248	33,050	-	-
	3,657,420	1,681,235	1,500	2,500

The advanced payments to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers.

12. Contract Assets/(Liabilities)

	Group 2022 RM	Group 2021 RM
Contract assets		
EPCC contracts (a)	46,967,868	29,427,626
Contract liabilities		
EPCC contracts (a)	2,714,309	264,907
Deposit received	7,500	-
	2,721,809	264,907

(a) EPCC contracts

	Group 2022 RM	Group 2021 RM
Brought forward	29,162,719	(3,639,223)
Revenue recognised in profit or loss	150,038,054	52,471,114
Less: Progress billings	(134,947,214)	(19,669,172)
Carried forward	44,253,559	29,162,719
Represent by:		
Contract assets	46,967,868	29,427,626
Contract liabilities	(2,714,309)	(264,907)
	44,253,559	29,162,719

The contract assets primarily relate to the Group's right to consideration for work completed on contracts but not yet billed as at the reporting date. This balance will be invoiced progressively upon the acceptance of completed works by customers.

The contract liabilities primarily relate to advanced considerations received/receivable from few customers. The amount will be recognised as revenue when the performance obligations are satisfied of which the revenue will be recognised.

12. Contract Assets/(Liabilities) (Cont'd)

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) are as follow:

	Group	
	2022	2021
	RM	RM
Within 1 year	214,551,996	95,774,953
Between 1 and 2 years	143,524,160	70,460,000
More than 2 years	-	13,160,000
	358,076,156	179,394,953

13. Amount Due from Subsidiaries

The amount due from subsidiaries are in respect of advances and payments made on behalf, which are unsecured, non-trade in nature, interest free and repayable on demand in cash and cash equivalent.

14. Short-term Investments

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Money market fund	47,175,769	24,778,233	33,172,358	16,012,433
Sukuk fund	4,915,617	4,955,311	4,915,617	4,955,311
	52,091,386	29,733,544	38,087,975	20,967,744

The weighted average effective interest rates of short-term investments of the Group and of the Company at the end of the reporting period were 3.99% (2021: 3.16%) and 4.47% (2021: 3.12%) per annum respectively.

15. Deposits with Licensed Banks

The interest rate of deposits with licensed banks of the Group ranged from 1.85% to 2.00% (2021: 1.65% to 3.70%) per annum.

All the fixed deposits with licensed banks of the Group are pledged to licensed banks as securities for credit facilities granted to a subsidiary as disclosed in Note 19 to the financial statements.

16. Share Capital and Invested Capital

(a) Share Capital

	Group and Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Unit	Unit	RM	RM
Ordinary shares				
Issued and fully paid up				
Brought forward	210,000,000	2,000	35,584,763	100
Issuance of shares				
- Acquisition of subsidiaries	-	148,843,000	-	7,442,150
- Bonus issue	154,001,043	-	-	-
- Exercise of warrants	4,000	-	4,800	-
- Private placement	21,000,000	-	25,305,000	-
- Public issue	-	61,155,000	-	29,354,400
Share issuance expenses	-	-	-	(1,211,887)
Carried forward	385,005,043	210,000,000	60,894,563	35,584,763

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

(b) Invested Capital

	Group and Company			
	Number of shares		Amount	
	2022	2021	2022	2021
	Unit	Unit	RM	RM
Ordinary shares				
Issued and fully paid up				
Brought forward	-	1,030,100	-	1,030,100
Adjustment pursuant to the acquisition of subsidiaries	-	(1,030,100)	-	(1,030,100)
Carried forward	-	-	-	-

Invested capital for the financial year ended 30 June 2020 comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group, net of ordinary shares held by non-controlling interests. During the financial year ended 30 June 2021, the amount has been reversed pursuant to the completion of the acquisition of subsidiaries.

17. Reserves

(a) Foreign currency translation reserve

The foreign currency translation reserve is in respect of foreign exchange differences on translation of the financial statements of the Group's foreign subsidiary.

(b) Merger Deficit

The merger deficit arises from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principle.

18. Lease Liabilities

	Group	
	2022	**2021**
	RM	**RM**
Non-current	2,871,518	231,679
Current	616,635	72,982
	3,488,153	304,661

The maturity analysis of lease liabilities at the end of the reporting period:

	Group	
	2022	**2021**
	RM	**RM**
Within 1 year	744,312	84,312
Between 2 to 5 years	2,803,213	247,525
More than 5 years	330,000	-
	3,877,525	331,837
Less: Future finance charges	(389,372)	(27,176)
Present value of lease liabilities	3,488,153	304,661

The Group leases office building and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

19. Borrowings

	Group 2022 RM	Group 2021 RM
Non-current		
Term loans	913,678	968,195
Current		
Term loans	54,496	38,272
Bankers' acceptances	9,886,377	1,039,143
Revolving credit	1,000,000	-
	10,940,873	1,077,415
	11,854,551	2,045,610

The borrowings are secured by the following:
(i) Joint and several guarantee by certain Directors of the Company;
(ii) First party legal charge over the Group's building as disclosed in Note 4 to the financial statements;
(iii) Fixed deposits pledged with licensed banks as disclosed in Note 15 to the financial statements; and
(iv) Corporate guarantee of the Company.

The weighted average effective interest rates per annum at the end of the reporting period for borrowings, were as follows:

	Group 2022 %	Group 2021 %
Term loans	3.20 - 4.81	2.93
Bankers' acceptances	1.91 - 6.65	3.51
Revolving credit	3.45 - 3.83	-

20. Trade Payables

	Group 2022 RM	Group 2021 RM
Trade payables	59,184,206	24,571,300
Retention sum	2,254,157	2,146,594
	61,438,363	26,717,894

The normal trade credit terms granted to the Group ranged from cash term to 90 days (2021: 45 to 90 days) depending on the term of the contracts.

21. Other Payables

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-trade payables	465,365	97,771	112,924	28,335
Accruals	610,650	53,701	43,200	29,200
Sales and service tax (“SST”) payable	9,923	19,692	-	-
	1,085,938	171,164	156,124	57,535

22. Revenue

	Group 2022 RM	Group 2021 RM
Revenue from contract with customers:		
EPCC services	150,038,054	52,471,114
Other services	684,452	978,068
	150,722,506	53,449,182
Timing of revenue recognition:		
Over time	150,722,506	53,449,182
Geographical market:		
Malaysia	150,722,506	53,449,182

23. Finance Costs

	Group 2022 RM	Group 2021 RM
Interest expenses		
- Lease liabilities	79,100	9,213
- Term loans	46,546	38,559
- Bankers’ acceptance	278,498	-
	404,144	47,772

24. Profit/(Loss) before Tax

Profit/(Loss) before tax is determined after charging/(crediting) amongst others, the following items:

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Auditors' remuneration				
- Audit fee	74,000	72,000	25,000	23,000
- Non-audit fee	5,000	5,000	5,000	5,000
Allowance for expected credit losses on:				
- Trade receivables	517,671	-	-	-
Depreciation of:				
- Property, plant and equipment	184,187	141,474	-	-
- Right-of-use assets	371,442	67,075	-	-
Directors' fee	144,000	108,000	144,000	108,000
Fair value loss on short-term investments	302,752	251,458	374,470	300,415
Interest income	(1,027,228)	(915,211)	(796,584)	(595,115)
Lease expenses relating to:				
- Short-term leases (a)	69,060	108,200	-	-
- Low value assets (a)	-	23,754	-	-
Listing expenses	-	493,128	-	493,128
Loss on foreign exchange				
- Realised	211,262	4,412	-	-
Property, plant and equipment written off	57,659	-	-	-
Reversal of allowance for expected credit losses				
- Trade receivables	(26,341)	(86,359)	-	-

(a) The Group leases a number of properties and equipment with contract terms of not more than one year. These leases are short-term or leases of low value assets. The Group has elected to the recognition exemption for short-term lease and lease of low-value assets under MFRS 16 *Leases*.

25. Taxation

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Current tax				
Current financial year provision	4,591,071	2,238,000	4,258	-
(Over)/Under provision in prior financial year	(99,237)	15,856	18,401	-
	4,491,834	2,253,856	22,659	-
Deferred tax				
Origination and reversal of temporary differences	(115,000)	(122,000)	-	-
Under provision in prior financial year	94,000	-	-	-
	(21,000)	(122,000)	-	-
Total tax expense	4,470,834	2,131,856	22,659	-

A reconciliation of income tax expenses applicable to profit/(loss) before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Profit/(Loss) before tax	16,398,970	8,051,224	(943,371)	(694,302)
At Malaysian statutory tax rate of 24% (2021: 24%)	3,935,753	1,932,294	(226,409)	(166,632)
Expenses not deductible for tax purposes	784,909	299,970	415,386	166,632
Income not subject to tax	(234,519)	(91,264)	(184,719)	-
Movement of deferred tax assets not recognised	(10,072)	(25,000)	-	-
(Over)/Under provision of current tax in prior financial year	(99,237)	15,856	18,401	-
Under provision of deferred tax in prior financial year	94,000	-	-	-
	4,470,834	2,131,856	22,659	-

25. **Taxation (Cont'd)**

The Group has unabsorbed tax losses of approximately RM31,836 (2021: RM73,803) for carry forward to offset future taxable profits.

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

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

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

	Group	
	2022	**2021**
	RM	**RM**
Unabsorbed tax losses	7,641	17,713

Deferred tax assets have not been recognised in respect of this item as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

26. **Earnings Per Share**

(a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2022	**2021**
	RM	**RM**
Profit attributable to owners of Company	11,930,499	5,922,448
Weighted average number of ordinary shares (unit)	372,128,777	346,408,509
Basic earnings per ordinary shares (sen)	3.21	1.71

26. **Earnings Per Share (Cont'd)**

(b) Diluted earnings per share

The effects of potential ordinary shares arising from the conversion of warrants were anti-dilutive and accordingly, it has been ignored in the calculation of diluted earnings per share. As a result, the diluted earnings per share is the same as basic earnings per share.

27. **Staff Costs**

	Group	
	2022	**2021**
	RM	**RM**
Salaries, wages and other emoluments	4,449,444	2,616,857
Defined contribution plans	521,851	316,257
Other benefits	111,496	32,459
	5,082,791	2,965,573

Included in staff costs is aggregate amount of remuneration received and receivable by the Directors and other Key Management Personnel of the Group and of the Company during the financial year as below:

	Group	
	2022	**2021**
	RM	**RM**
Directors of the Company		
Salaries, wages and other emoluments	835,847	733,847
Defined contribution plans	100,080	87,840
	935,927	821,687
Other Key Management Personnel		
Salaries, wages and other emoluments	356,047	329,135
Defined contribution plans	42,570	39,156
	398,617	368,291

28. Related Party Disclosure

(a) Identifying related parties

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

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

(b) Significant related party transactions

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

	Group	
	2022	**2021**
	RM	**RM**
Transactions with one of the Directors		
- Lease rental paid	40,500	54,000

(c) Compensation of key management personnel

Remuneration of Directors and key management personnel are disclosed in Note 27 to the financial statements.

29. Segment Information

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the provision of services related to renewable energy and environmental sector in Malaysia.

Major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Group 2022 RM	Group 2021 RM
- Customer A	-	7,348,288
- Customer B	-	18,904,369
- Customer C	66,183,160	-
- Customer D	43,319,580	-
- Customer E	17,899,191	-
	127,401,931	26,252,657

30. Capital Commitment

	Group 2022 RM	Group 2021 RM
Authorised but not contracted for		
Purchase of motor vehicles	-	292,921

31. Contingent Liabilities

	Group 2022 RM	Group 2021 RM
Secured		
Performance guarantee for contracts in favour of existing customers	15,989,293	2,950,000
Corporate guarantee for letter of credits issued in favour of existing suppliers	33,300,892	-
Tender guarantee for contracts in favour of prospective customers	1,560,000	-
	50,850,185	2,950,000

31. **Contingent Liabilities (Cont'd)**

	Company	
	2022	**2021**
	RM	**RM**
<u>Unsecured</u>		
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary (utilised amount)	10,886,377	1,039,143

32. **Financial Instruments**

(a) Classification of financial instruments

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

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Financial assets				
<u>At FVTPL</u>				
Short-term investments	52,091,386	29,733,544	38,087,975	20,967,744
<u>At amortised cost</u>				
Trade receivables	32,170,525	4,846,643	-	-
Other receivables	314,715	144,886	1,500	2,500
Amount due from subsidiaries	-	-	11,119,759	3,620,340
Deposits with licensed banks	6,288,420	1,625,716	-	-
Cash and bank balances	21,832,682	8,052,051	405,942	871,002
	60,606,342	14,669,296	11,527,201	4,493,842
Financial liabilities				
<u>At amortised cost</u>				
Trade payables	61,438,363	26,717,894	-	-
Other payables	1,076,015	151,472	156,124	57,535
Borrowings	11,854,551	2,045,610	-	-
	74,368,929	28,914,976	156,124	57,535

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk arises principally from the trade receivables, other receivables, deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from the other receivables, amount due from subsidiaries, deposits with licensed banks and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides financial guarantees to banks for banking facilities granted to certain subsidiary. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

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

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

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period/year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group has 2 (2021: 2) major customers and accounted for approximately 77% (2021: 64%) of the trade receivables outstanding.

Financial Guarantee Contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand Within 1 year RM	**2 to 5 years RM**	**More than 5 years RM**	**Total contractual cash flows RM**	**Total carrying amount RM**
Group					
2022					
Non-derivative financial liabilities					
Trade payables	61,438,363	-	-	61,438,363	61,438,363
Other payables	1,076,015	-	-	1,076,015	1,076,015
Lease liabilities	744,312	2,803,213	330,000	3,877,525	3,488,153
Borrowings	10,971,217	339,360	786,053	12,096,630	11,854,551
	74,229,907	3,142,573	1,116,053	78,488,533	77,857,082
Financial guarantee*	50,850,185	-	-	50,850,185	
2021					
Non-derivative financial liabilities					
Trade payables	26,717,894	-	-	26,717,894	26,717,894
Other payables	151,472	-	-	151,472	151,472
Lease liabilities	84,312	247,525	-	331,837	304,661
Borrowings	1,123,983	339,360	870,893	2,334,236	2,045,610
	28,077,661	586,885	870,893	29,535,439	29,219,637
Financial guarantee*	2,950,000	-	-	2,950,000	

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand within 1 year RM	**Total contractual cash flows RM**	**Total carrying amount RM**
Company			
2022			
Non-derivative financial liabilities			
Other payables	156,124	156,124	156,124
Financial guarantee*	10,886,377	10,886,377	
2021			
Non-derivative financial liabilities			
Other payables	57,535	57,535	57,535
Financial guarantee*	1,039,143	1,039,143	

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

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and short-term investments are exposed to a risk of change in their fair value due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions and short-term investments by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing financial instruments by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

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

	Group	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets		
Short-term investments	52,091,386	29,733,544
Deposits with licensed banks	6,288,420	1,625,716
Financial liabilities		
Lease liabilities	(3,488,153)	(304,661)
Bankers' acceptances	(9,886,377)	(1,039,143)
Revolving credit	(1,000,000)	-
	44,005,276	30,015,456
Floating rate instrument		
Financial liability		
Term loans	(968,174)	(1,006,467)

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

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

	Company	
	2022	**2021**
	RM	**RM**
Fixed rate instruments		
Financial assets		
Short-term investments	38,087,975	20,967,744

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flows sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM9,682 (2021: RM10,065), arising mainly as a result of lower/higher interest expense on floating rate borrowings. This analysis assumed that all other variables remain constant. The assumed movement in basis points for the interest rate sensitivity analysis based on the currently observable market environment.

(b) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Company. The currencies giving rise to this risk are primarily United States Dollar ("USD").

The Group had not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group would apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

32. **Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

	Group	
	2022	**2021**
	RM	**RM**
USD		
Financial asset		
Cash and bank balances	9,766,782	539,736
Financial liability		
Trade payables	(23,990,773)	(6,850,695)
	(14,223,991)	(6,310,959)

The following table demonstrates the sensitivity of the Group's and the Group's profit before taxation to a reasonably possible change in the USD exchange rates against RM, with all other variables held constant.

	Group	
	2022	**2021**
	RM	**RM**
Effect on profit before tax		
USD/RM - Strengthened 1%	(142,240)	(63,110)
USD/RM - Weakened 1%	142,240	63,110

(c) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group's and the Company's principal exposure to price risk arises mainly from changes in prices of money market fund and sukuk fund. These short-term investments are classified as financial asset at FVTPL.

Equity price risk sensitivity analysis

At the reporting date, if the various investments indices had been increased/decreased by 1%, with all variables held constant, the Group's and the Company's profit/loss before tax would have been RM520,914 and RM380,880 (2021: RM297,335 and RM209,677) higher/lower, arising as a result of higher/lower fair value gains on investment in equity instrument.

32. **Financial Instruments (Cont'd)**

(c) Fair value of financial instruments

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

(i) Policy on transfer between levels

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

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

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) 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 purposes, 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.

(iv) Level 3 fair value

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

The following table summarises the methods used in determining the fair value of financial assets on a recurring basis as at 30 June 2022 and 30 June 2021.

Financial asset	**Fair value as at**		**Fair value hierarchy**	**Valuation techniques and key inputs**
	2022 RM	**2021 RM**		
Group Short-term investments	52,091,386	29,733,544	Level 2	Reference to statements provided by the respective financial institutions.
Company Short-term investments	38,087,975	20,967,744	Level 2	Reference to statements provided by the respective financial institutions.

33. Capital Management

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

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

34. Comparative Information

Certain comparatives were reclassified to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 30 June 2021.

The financial statements of the Group and of the Company for the financial year ended 30 June 2021 were audited by another audit form of Chartered Accountants.

35. Significant Event During the Financial Year

On 31 May 2021, the Group, through its wholly-owned subsidiary, Samaiden Sdn. Bhd. ("SSB") registered a new wholly-owned subsidiary, namely Samaiden Energy (Vietnam) Limited Liability Company in Vietnam, with capital of USD5,000. The capital contribution was completed on 15 November 2021.

36. Material Litigation

Q Horizon Sdn Bhd vs Samaiden Sdn Bhd ("SSB")

On 18 October 2021, a sub-contractor, Q Horizon Sdn Bhd ("Plaintiff"), filed a claim against SSB ("Defendant") for allegedly outstanding sum of RM1,224,131 for work done pursuant to a Progress Claim (Final Claim) dated 6 September 2021.

On 7 June 2022, SSB filed the Defence and Amended Counterclaim disputing the Plaintiff's claim and counterclaimed the sum of RM944,222 for the return of advance payment, cost of third-party contractors, costs of damage to equipment, and upon deducting any monies due or owing to the Plaintiff.

The court has vacated the trial dates and a case management is scheduled on 9 September 2022 for parties to fix new trial dates.

36. **Material Litigation (Cont'd)**

Q Horizon Sdn Bhd vs Samaiden Sdn Bhd ("SSB") (Cont'd)

The Directors are of the view that SSB has a valid defence to the Plaintiff's claim and there is a good chance of success on the counterclaim hence no provision had been made for the Plaintiff's claim.

SSB vs Ditrolic Sdn. Bhd.

Ditrolic Sdn. Bhd. ("Ditrolic") appointed SSB as its sub-contractor for Work Packages No.3 ("WP3") and Work Packages No.4 ("WP4") of a project. SSB has issued 4 payment claims for the Project to Ditrolic with details as follows:

Work Package	**Nature of claim**	**Amount of claim (excluding costs and interest)**	**Present Status**
WP3	Outstanding certified but unpaid sums.	RM2,539,141	Parties are in the midst of appointing adjudicator.
WP3	Outstanding certified but unpaid sums and outstanding claim not certified and unpaid.	RM2,130,942	No update from parties.
WP4	Outstanding certified but unpaid sums and outstanding claim not certified and unpaid.	RM5,179,382	Parties have recently appointed the adjudicator and is in the midst of submitting the Adjudication papers.
WP4	Outstanding claim not certified and unpaid.	RM2,002,565	No update from parties.

The outcome of the claims is subject to Ditrolic's defence and/or counterclaim against SSB's claims, which are yet to be submitted by Ditrolic as of the date of this report.

37. **Date of Authorisation for Issue**

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 6 September 2022.