

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the combined statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
At 31 March 2019		
Financial assets		
Trade and other receivables, less prepayments	1,745	1,745
Cash and short-term deposits	1,283	1,283
	<u>3,028</u>	<u>3,028</u>
Financial liabilities		
Loans and borrowings	(3,948)	(3,948)
Trade and other payables	(1,516)	(1,516)
	<u>(5,464)</u>	<u>(5,464)</u>
At 31 March 2020		
Financial assets		
Trade and other receivables, less prepayments	10,366	10,366
Cash and short-term deposits	2,019	2,019
	<u>12,385</u>	<u>12,385</u>
Financial liabilities		
Loans and borrowings	(3,480)	(3,480)
Trade and other payables	(8,087)	(8,087)
	<u>(11,567)</u>	<u>(11,567)</u>

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (continued)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (continued)

	Carrying amount RM'000	Amortised cost RM'000
At 31 March 2021		
Financial assets		
Trade and other receivables, less prepayments	16,616	16,616
Cash and short-term deposits	16,873	16,873
	<u>33,489</u>	<u>33,489</u>
Financial liabilities		
Loans and borrowings	(46,836)	(46,836)
Trade and other payables	(31,211)	(31,211)
	<u>(78,047)</u>	<u>(78,047)</u>
	Carrying amount RM'000	Amortised cost RM'000
At 31 March 2022		
Financial assets		
Trade and other receivables, less prepayments	14,601	14,601
Cash and short-term deposits	20,107	20,107
	<u>34,708</u>	<u>34,708</u>
Financial liabilities		
Loans and borrowings	(52,869)	(52,869)
Trade and other payables	(28,774)	(28,774)
	<u>(81,643)</u>	<u>(81,643)</u>

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management**

The Group's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables

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

The carrying amount of trade receivables is not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group has no significant concentration of credit risk from its receivables. The Group minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit losses provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information.

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)**Credit risk concentration profile (continued)

	Contract assets RM'000	Trade receivables					Total RM'000
		Current RM'000	1 to 30 days past due RM'000	31 to 60 days past due RM'000	61 to 90 days past due RM'000	91 to 120 days past due RM'000	
At 31 March 2019							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	378	2	499	17	98	-	305
Impairment losses	-	-	-	-	-	-	(106)
At 31 March 2020							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	3,849	436	5,555	1,618	937	196	328
Impairment losses	-	-	-	-	-	-	(106)
At 31 March 2021							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	4,935	3,442	2,674	1,549	372	165	4,683
Impairment losses	-	-	-	-	-	-	(107)
At 31 March 2022							
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	46,524	2,632	1,485	159	435	334	4,161
Impairment losses	-	-	-	-	-	-	(107)

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets**

For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the combined statements of financial position.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets (continued)**

Some intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, expected credit losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.10(a) for the Group's other accounting policies for impairment of financial assets.

Bank guarantees

The Company is exposed to credit risk in relation to bank guarantees given to customers in respect of performance guarantees for certain solar-related projects. The Company monitors the progress of all related projects on an ongoing basis. The maximum exposure to credit risks amount to RM24,002,642 representing the maximum amount the Group could pay if the guarantee is called on as disclosed in Note 24(b)(ii).

As at the reporting date, the bank guarantees have not been recognised as there were no indications that the progress of the solar-related projects would have an impact on the performance guarantees given by the Group, hence triggering the repayment of the performance guarantees.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's exposure to liquidity risk arises principally from trade and other payables and loan and borrowings.

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group's treasury department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within one year RM'000	Between one and five years RM'000	More than five years RM'000	
At 31 March 2019					
Trade and other payables	1,516	1,516	-	-	1,516
Term loans	2,232	372	1,295	1,290	2,957
Lease liabilities	167	75	106	-	181
Bank overdraft	770	770	-	-	770
Bankers' acceptance	779	779	-	-	779
	5,454	3,512	1,401	1,290	6,203
At 31 March 2020					
Trade and other payables	8,087	8,087	-	-	8,087
Term loans	1,921	187	1,193	994	2,374
Lease liabilities	236	116	144	-	260
Bank overdraft	782	782	-	-	782
Bankers' acceptance	541	541	-	-	541
	11,567	9,713	1,337	994	12,044

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(ii) Liquidity risk (continued)****Maturity analysis (continued)**

	Carrying amount RM'000	Contractual cash flows			Total RM'000
		On demand or within one year RM'000	Between one and five years RM'000	More than five years RM'000	
At 31 March 2021					
Trade and other payables	31,211	31,211	-	-	31,211
Term loans	25,563	4,152	15,940	25,153	45,245
Lease liabilities	3,511	355	1,277	3,804	5,436
Redeemable convertible preference shares	16,311	-	20,070	-	20,070
Bank overdraft	507	507	-	-	507
Bankers' acceptance	944	944	-	-	944
	78,047	37,169	37,287	28,957	103,413
At 31 March 2022					
Trade and other payables	28,774	28,774	-	-	28,774
Term loans	41,565	4,754	30,088	39,981	74,823
Lease liabilities	4,588	833	2,000	3,586	6,419
Bank overdraft	2,529	2,529	-	-	2,529
Bankers' acceptance	467	467	-	-	467
Irredeemable convertible preference shares	3,719	3,719	-	-	3,719
Bank guarantees	-	24,003	-	-	24,003
	81,643	65,079	32,088	43,567	140,734

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value of future cash flows of a financial instrument as a result of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates related primarily to the Group's operating activities (when sales, purchases and borrowings that are denominated in a foreign currency).

Management has set up a policy that requires all companies within the Group to manage their treasury activities and exposures. In addition, the Group also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current account in foreign currency.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**

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NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**

The Group's unhedged financial assets and liabilities of the Group that are not denominated in their functional currencies are as follows:

	← As at 31 March →			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Financial assets and liabilities not held in functional currency:				
<u>Cash and short-term deposits</u>				
United States Dollar ("USD")	36	14	328	15
Philippine Peso ("PHP")	*	*	*	*
Korean Won ("KRW")	*	*	*	*
<u>Trade payables</u>				
USD	46	546	-	74
PHP	*	-	-	-

* Less than RM1,000.

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Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iii) Foreign currency risk (continued)**Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure related mainly to United States Dollar ("USD").

The following table demonstrated the sensitivity to a reasonably possible change in the USD, with all other variables held constant on the Group's total equity and profit for the financial year.

	Change in rate	Effect on profit and equity for the financial year RM'000
31 March 2019		
- USD	15%	(1)
	-15%	1
31 March 2020		
- USD	15%	(61)
	-15%	61
31 March 2021		
- USD	15%	37
	-15%	(37)
31 March 2022		
- USD	15%	(7)
	-15%	7

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(iv) Interest rate risk**

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial years.

	Carrying amount RM'000	Change in basis point	Effect on profit for the financial year/equity RM'000
31 March 2019			
Term loans	2,232	+ 50	(8)
		- 50	8
31 March 2020			
Term loans	1,921	+ 50	(7)
		- 50	7
31 March 2021			
Term loans	25,563	+ 50	(97)
		- 50	97
31 March 2022			
Term loans	41,565	+ 50	(158)
		- 50	158

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****24. FINANCIAL INSTRUMENTS (CONTINUED)****(c) Fair value measurement**

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

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years.

	Carrying amount RM'000	Fair value of financial instruments not carried at fair value			Total RM'000
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
At 31 March 2019					
Financial liabilities					
Term loans	1,923	-	-	3,889	3,889
At 31 March 2020					
Financial liabilities					
Term loans	1,662	-	-	3,227	3,227
At 31 March 2021					
Financial liabilities					
Term loans	23,231	-	-	55,613	55,613
Redeemable convertible preferences shares	16,311	-	-	15,810	15,810
At 31 March 2022					
Financial liabilities					
Term loans	38,753	-	-	76,531	76,531

Level 3 fair value**Fair value of financial instruments not carried at fair value**

The fair value of liability component of term loan and lease liabilities are calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate of similar liabilities.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****25. RELATED PARTIES****(a) Identification of related parties**

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

Related parties of the Group include:

- (i) Entities in which directors have substantial financial interests;
- (ii) A person(s) connected to a director; and
- (iii) Key management personnel of the Group, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly and indirectly.

(b) Significant related party transactions

There is no significant related party transactions under the Group.

(c) Compensation of key management personnel

	← FYE 31 March →			
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Directors' fee	120	120	120	120
Salaries, allowances and bonuses	392	384	466	865
Defined contribution plans	47	46	56	103
Other staff related benefits	2	2	3	3
	561	552	645	1,091

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****26. CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objective, policies and processes during the financial years ended 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022.

The Group monitors capital using gearing ratio. The gearing ratio is calculated as net debts divided by equity attributable to the owners of the Group. The gearing ratio as at 31 March 2019, 31 March 2020, 31 March 2021 and 31 March 2022. are as follows:

	Note	← As at 31 March →			
		2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Loans and borrowings (excluding lease liabilities)	15	3,781	3,244	43,325	48,280
Total equity		2,224	5,253	11,188	54,730
Gearing ratio (times)		1.70	0.62	3.87	0.88

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS****(a) Acquisition of Vafe System Sdn. Bhd. ("Vafe System")**

On 3 March 2021, Fabulous Sunview entered into a share sale agreement to acquire the entire issued share capital of Vafe System from Sendang Energy Sdn. Bhd. for a cash purchase consideration of RM5,800,000.

The purchase consideration was arrived on a willing buyer-willing seller basis after taking into consideration the present value of expected future cash flows to be generated by the solar PV power plant and the 1 secured project with which was referred to Fabulous Sunview by Vafe System.

	Note	RM'000
Assets		
Property, plant and equipment	5	6,541
Contract assets	10	83
Other receivables	11	1,324
Cash and bank balances	12	271
Total assets		8,219
Liabilities		
Deferred tax liabilities	8	(307)
Loans and borrowings	15	(5,772)
Current tax liabilities		(8)
Trade and other payables	16	(1,343)
Total liabilities		(7,430)
Total identifiable net assets acquired		789
Goodwill arising on acquisition	7	5,011
Total consideration to be transferred		5,800
Effects of acquisition on cash flows:		
		RM'000
Total consideration transferred as at 31 March 2021		560
Less: Cash and bank balances of a subsidiary acquired		(271)
Net cash outflow on acquisition		289

The acquisition of Vafe System was completed on 11 August 2021.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)****(b) Acquisition of Suntech Energy Sdn. Bhd. ("Suntech Energy")**

On 24 March 2021, Fabulous Sunview entered into a share sale agreement to acquire the entire issued share capital of Suntech Energy from Khoo Kah Kheng and Ng Chee Yee for a cash purchase consideration of RM15,000,000.

The purchase consideration was arrived on a willing buyer-willing seller basis after taking into consideration the present value of expected future cash flows to be generated by the 2 solar PV power plants and the 2 secured projects which were referred to Fabulous Sunview by Suntech Energy.

	Note	RM'000
Assets		
Property, plant and equipment	5	17,061
Investment in associates		460
Contract assets	10	238
Trade and other receivables	11	1,862
Cash and short terms deposits	12	1,759
Total assets		21,380
Liabilities		
Loans and borrowings	15	(14,668)
Current tax liabilities		(13)
Trade and other payables	16	(3,897)
Total liabilities		(18,578)
Total identifiable net assets acquired		2,802
Share of results of associates, net of tax		30
Goodwill arising on acquisition	7	12,168
Total consideration to be transferred		15,000
Effects of acquisition on cash flows:		
		RM'000
Total consideration transferred as at 31 March 2021		-
Less: Cash and bank balances of a subsidiary acquired		(1,759)
Net cash inflows on acquisition		(1,759)

The acquisition of Suntech Energy was completed on 8 December 2021.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)****(c) Coronavirus outbreak**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. Many countries including the Malaysian Government imposed the Movement Control Order ("MCO") to curb the spread of the COVID-19 pandemic. The COVID-19 pandemic also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 pandemic since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Group operate.

The Group has performed assessments on the overall impact of the situation on the Group's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there was no material adverse effect on the financial statements for the financial year ended 31 March 2022.

Given the fluidity of the situation, the Group will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimize the impact of the outbreaks on the Group's operations.

(d) Acquisition of Solarcity Reit Sdn. Bhd.

On 5 September 2019, Fabulous Sunview Sdn. Bhd. ("Fabulous Sunview") acquired 49 unit of ordinary shares of RM1 each representing 49% equity interest in Solarcity Reit Sdn. Bhd. for a total consideration of RM49.

On 6 July 2020, Fabulous Sunview acquired additional 2 unit of ordinary shares of RM1 each representing 2% equity interest in Solarcity Reit Sdn. Bhd. for a total consideration of RM2. The equity interest of Fabulous Sunview increased from 49% to 51% and Solarcity Reit Sdn. Bhd. became a subsidiary and ceased to be an associate of Fabulous Sunview.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)**27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEARS (CONTINUED)****(e) Pre-IPO Fund Raising**

- (i) On 2 September 2021, Fabulous Sunview had entered into a shares subscription agreement ("SSA") with Evergreen Credit Express Sdn. Bhd. to subscribe for 33,229 ordinary shares in Fabulous Sunview at a subscription price of RM60.19 each for an aggregate subscription price of RM2,000,053.51.
- (ii) On 2 September 2021, Fabulous Sunview had entered into a SSA with Khoo Kah Kheng to subscribe for 74,761 ordinary shares in Fabulous Sunview at a subscription price of RM60.19 each for an aggregate subscription price of RM4,499,864.59.
- (iii) On 2 September 2021, Fabulous Sunview had entered into a SSA with Ng Chee Yee to subscribe for 74,761 ordinary shares in Fabulous Sunview at a subscription price of RM60.19 each for an aggregate subscription price of RM4,499,864.59.
- (iv) On 15 September 2021, Fabulous Sunview had entered into a SSA with Federal International Holdings Berhad to subscribe for 81,403 ordinary shares in the Fabulous Sunview, at a subscription price of RM60.19 each for an aggregate subscription price of RM4,899,646.57.
- (v) On 15 September 2021, Fabulous Sunview had entered into a SSA with Soh Kah Woi to subscribe for 81,403 ordinary shares in Fabulous Sunview, at a subscription price of RM60.19 each for an aggregate subscription price of RM4,899,646.57.
- (vi) On 15 September 2021, Fabulous Sunview had entered into a SSA with Oon Jin Hsiung to subscribe for 19,943 ordinary shares in Fabulous Sunview, at a subscription price of RM60.19 each for an aggregate subscription price of RM1,200,369.17.

The newly issued subscription shares above will rank pari passu in all respect with the existing ordinary shares of Fabulous Sunview.

(f) Irredeemable convertible preference shares ("ICPS")

On 29 November 2021, 450,704 RCPS was settled by issuance of 450,704 ICPS of RM16,000,000 by Fabulous Sunview at an issue price of RM35.50 per share. The salient terms of the ICPS are as follows:

- i) Automatically upon a qualifying initial public offering ("QIPO"), the RCPS automatic converted into new ordinary shares of the Group at any time before the maturity date;
- ii) Each ICPS shall be entitled to be converted into 1 conversion shares in the Group on a fully diluted basis;
- iii) The ICPS shall rank pari passu amongst themselves, and in priority to the ordinary shares in the Group; and
- iv) No dividend shall be paid during the tenure of the ICPS, unless otherwise declared.

12. ACCOUNTANTS' REPORT (CONT'D)

SUNVIEW GROUP BERHAD

Accountants' Report

NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)

28. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEARS

(a) Acquisition of Fabulous Sunview

On 20 December 2021, Sunview Group Berhad ("Sunview") entered into a conditional share sale agreement to acquire the entire issued invested equity of Fabulous Sunview of approximately RM40.25 million comprising of 1,661,274 ordinary shares a total purchase consideration of approximately RM49.00 million. The said total purchase consideration was satisfied entirely by the issuance of 349,999,998 new shares at an issue price of approximately RM0.14 per Share.

The total purchase consideration of approximately RM49.00 million for the acquisition of Fabulous Sunview was arrived based on a "willing-buyer willing-seller" basis after taking into consideration the adjusted net assets ("NA") of RM49.42 million.

The transaction was completed on 29 July 2022.

(b) Conversion of ICPS to ordinary shares

On 22 July 2022, 450,704 ICPS held by Basil Power was converted via a fresh issuance of 450,704 ordinary shares in the share capital of the Company based on the conversion ratio of one (1) ICPS for one (1) ordinary share.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are not entitled to receive dividends, rights, allotments and/or other distributions which may be declared from time to time.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****29. SEGMENT INFORMATION**

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Services
Provision of product and services related to renewable energy	EPCC, construction, installation, associate service and products of solar PV facilities
Power generation	Solar power generation and supply

Segment profit

Segment profit is used to measure performance as the Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

Segment assets information is neither included in the internal management reports nor provided regularly to the Managing Director. Hence no disclosure is made on segment assets.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Managing Director. Hence no disclosure is made on segment liabilities.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****29. SEGMENT INFORMATION (CONTINUED)**

	Provision of product and services related to renewable energy RM'000	Adjustments and eliminations RM'000	Total RM'000
31 March 2019			
Revenue:			
Revenue from external customers	5,651	-	5,651
Inter-segment revenue	353	(353)	-
	<u>6,004</u>	<u>(353)</u>	<u>5,651</u>
Segment loss	(799)	-	(799)
Income tax benefit			91
Loss for the financial year			<u>(708)</u>
Results:			
<i>Included in the measure of segments loss are:</i>			
Interest income			*
Interest expense			(280)
Depreciation			<u>(108)</u>

* Less than RM1,000.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****29. SEGMENT INFORMATION (CONTINUED)**

	Provision of product and services related to renewable energy RM'000	Adjustments and eliminations RM'000	Total RM'000
31 March 2020			
Revenue:			
Revenue from external customers	26,375	-	26,375
Inter-segment revenue	4,458	(4,458)	-
	<u>30,833</u>	<u>(4,458)</u>	<u>26,375</u>
Segment profit	3,255	*	3,255
Income tax expense			(725)
Profit for the financial year			<u>2,530</u>
Results:			
<i>Included in the measure of segments profit are:</i>			
Interest income			*
Interest expense			(227)
Depreciation			(167)

* *Less than RM1,000.*

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****29. SEGMENT INFORMATION (CONTINUED)**

	Provision of product and services related to renewable energy RM'000	Power generation RM'000	Adjustments and eliminations RM'000	Total RM'000
31 March 2021				
Revenue:				
Revenue from external customers	43,133	197	*	43,330
Inter-segment revenue	25,291	-	(25,291)	-
	<u>68,424</u>	<u>197</u>	<u>(25,291)</u>	<u>43,330</u>
Segment profit/(loss)	10,206	(62)	(1,801)	8,343
Income tax expense				(2,552)
Profit for the financial year				<u>5,791</u>
Results:				
<i>Included in the measure of segments profit are:</i>				
Interest income				27
Interest expense				(786)
Depreciation				<u>(287)</u>

* Less than RM1,000.

12. ACCOUNTANTS' REPORT (CONT'D)**SUNVIEW GROUP BERHAD**
Accountants' Report**NOTES TO THE COMBINED FINANCIAL STATEMENTS (CONTINUED)****29. SEGMENT INFORMATION (CONTINUED)**

	Provision of product and services related to renewable energy RM'000	Power generation RM'000	Others RM'000	Adjustments and eliminations RM'000	Total RM'000
31 March 2022					
Revenue:					
Revenue from external customers	95,765	3,498	-	-	99,263
Inter-segment revenue	19,538	-	-	(19,538)	-
	<u>115,303</u>	<u>3,498</u>	<u>-</u>	<u>(19,538)</u>	<u>99,263</u>
Segment profit/(loss)	11,070	(127)	(171)	87	10,859
Income tax expense					(1,972)
Profit for the financial year					<u>8,887</u>
Results:					
<i>Included in the measure of segments profit are:</i>					
Interest income					121
Interest expense					(2,544)
Depreciation					(2,146)

13. ADDITIONAL INFORMATION**13.1 EXTRACT OF OUR CONSTITUTION**

The following provisions are extracted from our Company's Constitution which complies with the Listing Requirements, the Act and the Rules.

The words and expressions appearing in the following provisions shall bear the same meanings used in our Company's Constitution unless they are otherwise defined or the context otherwise requires:

13.1.1 Remuneration, voting and borrowing powers of Directors**(i) Directors' Remuneration****Clause 97 – Directors' remuneration**

The fees of the Directors and any benefits payable to the Directors shall from time to time be determined by way of an ordinary resolution of the Company in general meeting and such fees shall be divided among the Directors in such proportions and manner as the Directors may determine and in default of agreement equally, except that if a Director has held office for part only of the period in respect of which such fees are payable, such a Director shall be entitled only to that proportion of the fees as is related to the period during which he has held office PROVIDED ALWAYS that:

- (i) salaries, benefits and other emoluments payable to executive Director(s) pursuant to an employment contract or a contract of service need not be determined by the Company in a general meeting but such salaries may not include a commission on or percentage of turnover;
- (ii) fees payable to non-executive Directors shall be a fixed sum and not by way of a commission on or percentage of profits or turnover; and
- (iii) any fee paid to an alternate Director shall be agreed upon between himself and the Director nominating him and shall be paid out of the remuneration of the latter.

Clause 98 – Reimbursement of expenses

- (a) The Directors shall be entitled to be reimbursed for all travelling or expenses as may be incurred in attending meetings of the Directors or of any committee of the Directors or general meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. In addition to the foregoing, a Director shall be entitled to such reasonable fixed allowance as may be determined by the Directors in respect of any attendance at any meeting and/or the performance of any duty or other things required of him as a Director.
- (b) If any Director being willing shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of business or residence for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a committee of Directors, the Company may remunerate the Director so doing either by a fixed sum or otherwise (other than by a sum to include a commission on or percentage of turnover) as may be determined by the Board provided that in the case of non-executive Directors, the said remuneration shall not include a commission on or percentage of profits or turnover. In the case of an executive Director, such fee may be either in addition to or in substitution for any director's fees payable to him from time to time.

13. ADDITIONAL INFORMATION (CONT'D)

(ii) Voting and borrowing powers of Directors

Clause 102 – Directors' borrowing powers

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or any related company (as defined under Section 7 of the Act) as may be thought fit subject always to the Act and/or the Listing Requirements.
- (b) The Directors shall not borrow any money or mortgage or charge any of the Company's or the subsidiaries' undertaking, property or any uncalled capital, or to issue debentures and other securities whether outright or as security for any debt, liability or obligation of an unrelated third party.

13.1.2 Changes to share capital

Clause 55 – Power to increase capital

The Company may from time to time, whether all the shares for the time being issued shall have been fully called up or not, by ordinary resolution increase its share capital by the issuance of new shares, such new capital to be of such amount and to be divided into shares of such respective amounts and to carry such rights or to be subject to such conditions or restrictions in regard to dividend, return of capital or otherwise as to the Company by the resolution authorising such increase may direct.

Clause 58 – Power to alter capital

Subject to the provisions of the Constitution and the Act, the Company may by ordinary resolution:

- (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
- (ii) subdivide its share capital or any part thereof into shares of smaller amount by subdivision of its existing shares or any of them subject nevertheless to the provisions of the Act;
- (iii) convert and/or re-classify any class of shares into any other class of shares; or
- (iv) cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled.

13.1.3 Transfer of securities

Clause 29 – Transfer in writing

Subject to the Constitution, the Central Depositories Act and the Rules, any Member may transfer all or any of his Securities (except those Deposited Securities which are for the time being designated as securities in suspense) by instrument in writing in the form prescribed and approved by the Stock Exchange upon which the Company is listed on the Exchange. The instrument shall have been executed by or on behalf of the transferor and the transferee and the transferor shall remain the holder of the Securities transferred until the transfer is registered and the name of the transferee is entered in the Record of Depositors.

13. ADDITIONAL INFORMATION (CONT'D)**Clause 30 – Transfer of Securities**

The transfer of any Deposited Securities shall be made by way of book entry by the Central Depository in accordance with the Rules and, notwithstanding Sections 105, 106 and 110 of the Act, but subject to Section 148(2) of the Act and any exemption that may be made from compliance with Section 148(1) of the Act, the Company shall be precluded from registering and effecting any transfer of such listed Securities.

Clause 31 – No restriction on the transfer of fully paid Securities

Subject to the Central Depositories Act and the Rules, there shall be no restriction on the transfer of fully paid Securities except where required by law.

13.1.4 Rights, preferences and restrictions attached to each class of securities relating to voting, dividend, liquidation and any special rights**Clause 7 – Rights of preference shareholders**

Subject to the Act and the Listing Requirements, any preference shares may with the sanction of an ordinary resolution, be issued on the terms that they are, or at the option of the Company are liable, to be redeemed and the Company shall not issue preference shares ranking in priority above preference shares already issued, but may issue preference shares ranking equally therewith. Preference shareholders shall have:

- (i) the same rights as ordinary shareholders as regards receiving notices, reports and audited accounts and attending general meetings of the Company; and
- (ii) the right to vote at any meeting convened for the purpose of reducing the capital of the Company or on a proposal to wind up or during the winding up of the Company, or sanctioning a sale of the whole of the Company's undertaking, property or business, or where any resolution to be submitted to the meeting directly affects their rights and privileges, or when the dividend on the preference shares or part of the dividend is in arrears for more than six (6) months.

Clause 8 – Repayment of preference capital

Notwithstanding Clause 10, the repayment of preference share capital (other than redeemable preference shares), or any alteration of preference shareholder's rights may be made:

- (i) with the sanction of a special resolution of the preference shareholders concerned; or
- (ii) where the necessary majority for such a special resolution under Clause 8(i) is not obtained at the meeting, consent in writing obtained from the holders of seventy-five per centum (75%) of the preference shares concerned within two (2) months of the meeting, shall be as valid and effectual as a special resolution carried at the meeting.

Clause 9 – Variation of class rights

Subject to Section 91 of the Act, if at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with:

- (i) the consent in writing of the holders of not less than seventy-five per centum (75%) of the total voting rights of the shareholders in that class; or

13. ADDITIONAL INFORMATION (CONT'D)

- (ii) the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting, the provisions of the Constitution relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two (2) persons holding or representing by proxy at least one-third of the number of the issued shares of the class excluding any shares of that class held as treasury shares and that any holder of shares of the class present in person or by proxy may demand a poll and shall be entitled on a poll to one vote for every such share held by him. For adjourned meetings, the quorum is one (1) person present holding shares of such class. To every such special resolution, the provisions of Section 292 of the Act shall with such adaptations as are necessary, apply.

Clause 10 – Ranking of class rights

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or in all respects *pari passu* therewith.

Clause 41 – Person entitled may receive dividends etc.

Where the registered holder of any share dies or becomes bankrupt, his personal representative or the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

Clause 53 – Rights of stock holders

The holders of stock shall, according to the amount of the stock held by them have the same rights, privileges and advantages with regards dividends, participation in assets on a winding up, voting at meetings of the Company and other matters as if they held the shares from which the stock arose, so that none of such right, privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of the stock which would not, if existing in shares, have conferred such right, privilege or advantage.

Clause 144 – Payment of dividends

Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but no amount paid or credited as paid on a share in advance of call shall be treated for the purposes of the Constitution as paid on the share. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, that share shall rank for dividend accordingly.

Clause 158 – Distribution of assets in specie

If the Company is wound up and the liquidator may, upon the payment or satisfaction of all liabilities of the Company including preferential payments under the Act, with the sanction of a special resolution of the Company, divide amongst the Members in specie or in kind the whole or any part of the assets of the Company (whether they consist of property of the same kind or not) and may for that purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how the division shall be carried out as between the Members or different classes of Members. The liquidators may, with the like sanction, vest the whole or any part of any such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability.

13. ADDITIONAL INFORMATION (CONT'D)

13.2 SHARE CAPITAL

- (i) As at the date of this Prospectus, we only have one class of shares, namely ordinary shares, all of which rank equally with one another. There are no special rights attached to our Shares.
- (ii) None of our Group's capital is under any option or agreed conditionally or unconditionally to be put under any option.
- (iii) No person has been or is entitled to be given an option to subscribe for any share, stock, debenture or other security of our Group, except for the Pink Form Allocation.
- (iv) There is no scheme involving our employees in the capital of our Group, except for the Pink Form Allocation.
- (v) Save as disclosed in Sections 4.1.1, 4.1.2, 6.1.3, 6.2.1, 6.2.2, 6.2.3, 6.2.4 and 6.2.5 of this Prospectus, no shares, outstanding warrants, options, convertible securities or uncalled capital of our Group have been or are proposed to be issued as fully or partly paid-up, in cash or otherwise than in cash, within the 2 years preceding the date of this Prospectus.
- (vi) As at the date of this Prospectus, our Group does not have any outstanding convertible debt securities, options, warrants or uncalled capital.

13.3 LIMITATION ON THE RIGHT TO OWN SECURITIES

There is no limitation on the right to own securities including limitation on the right of non-residents or foreign shareholders to hold or exercise their voting rights on our Shares.

13.4 PUBLIC TAKE-OVERS

During the last financial year and up to the LPD, there were no:

- (i) public take-over offers by third parties in respect of our Group's shares; and
- (ii) public take-over offers by our Group in respect of other companies' shares.

(The rest of this page has been intentionally left blank)

13. ADDITIONAL INFORMATION (CONT'D)**13.5 MATERIAL CONTRACTS**

Save as disclosed below, we have not entered into any contracts which are material (not being contracts entered into in the ordinary course of business) within the period covered by the historical financial information as disclosed in this Prospectus up to the date of this Prospectus:

- (i) Subscription agreement dated 5 November 2020 between Basil Power (as subscriber), Fabulous Sunview (as issuer) and our Promoters, namely Ong Hang Ping and Chow Kian Hung in relation to the Issuance of RCPS to Basil Power. Please refer to Section 4.1.1(a) of this Prospectus for further details;
- (ii) Share sale agreement dated 3 March 2021 between Sendang Energy Sdn Bhd (as vendor) and Fabulous Sunview (as purchaser) in relation to the Acquisition of Vafe System. This transaction was completed on 11 August 2021. Please refer to Section 4.1.1(b) of this Prospectus for further details;
- (iii) Share sale agreement dated 24 March 2021 between Khoo Kah Kheng and Ng Chee Yee (as vendors) and Fabulous Sunview (as purchaser) in relation to the Acquisition of Suntech Energy. This transaction was completed on 8 December 2021. Please refer to Section 4.1.1(c) of this Prospectus for further details;
- (iv) Subscription agreements dated 2 September 2021 and 15 September 2021 between the Pre-IPO Investors (as subscriber) and Fabulous Sunview (as issuer) in relation to the Pre-IPO Fund Raising. Please refer to Section 4.1.1(d) of this Prospectus for further details;
- (v) Subscription agreement dated 29 November 2021 between Basil Power (as subscriber), Fabulous Sunview (as issuer) and our Promoters, namely Ong Hang Ping and Chow Kian Hung in relation to the RCPS Redemption and issuance of ICPS. Please refer to Section 4.1.1(e) of this Prospectus for further details;
- (vi) Conditional share sale agreement dated 20 December 2021 between Fabulous Sunview Vendors (as vendors) and our Company (as purchaser) in relation to the Acquisition of Fabulous Sunview. This transaction was completed on 29 July 2022. Please refer to Section 4.1.2(a)(ii) of this Prospectus for further details;
- (vii) Supplemental letter dated 29 July 2022 between Fabulous Sunview Vendors and our Company in relation to the conditional share sale agreement dated 20 December 2021; and
- (viii) Underwriting Agreement.

13.6 CONSENTS

- (i) The written consents of the Principal Adviser, Sponsor, Sole Underwriter and Placement Agent, Solicitors for our Listing, Share Registrar, Issuing House and Company Secretaries for the inclusion in this Prospectus of their names in the form and context in which their names appear in this Prospectus have been given before the issue of this Prospectus, and have not subsequently been withdrawn.
- (ii) The written consent of the External Auditors and Reporting Accountants for the inclusion in this Prospectus of their name, the audited financial statements of Suntech Energy and Vafe System for the 15-month FPE 31 March 2021 respectively, the Accountants' Report and the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.
- (iii) The written consent of the IMR for the inclusion in this Prospectus of its name and Industry Overview in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

13. ADDITIONAL INFORMATION (CONT'D)

- (iv) The written consent of the valuer, Asia Equity Research Sdn Bhd for the inclusion in this Prospectus of its name and valuation certificates in the form and context in which they are contained in this Prospectus has been given before the issue of this Prospectus, and has not subsequently been withdrawn.

13.7 DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at our registered office during office hours for a period of 6 months from the date of this Prospectus:

- (i) our Constitution;
- (ii) the Industry Overview referred to in Section 7 of this Prospectus;
- (iii) the Reporting Accountants' Report on the Pro Forma Combined Statements of Financial Position of our Group as at 31 March 2022 referred to in Section 11.5 of this Prospectus;
- (iv) the Accountants' Report as included in Section 12 of this Prospectus;
- (v) the material contracts referred to in Section 13.5 of this Prospectus;
- (vi) the letters of consent referred to in Section 13.6 of this Prospectus;
- (vii) the valuation certificates as included in Appendix F of this Prospectus; and
- (viii) the audited financial statements of:
 - (a) Sunview for the period from 25 May 2021 (date of incorporation) to 31 March 2022;
 - (b) Fabulous Sunview for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022;
 - (c) Suntech Energy for the financial year ended 31 December 2019, 15-month financial period ended 31 March 2021 and FYE 2022;
 - (d) Solarcity REIT for the period from 19 September 2019 (date of incorporation) to 31 March 2020, FYE 2021 and FYE 2022;
 - (e) Solare Truss for the FYE 2019, FYE 2020, FYE 2021 and FYE 2022; and
 - (f) Vafe System for the financial year ended 31 December 2019, 15-month financial period ended 31 March 2021 and FYE 2022.

13.8 RESPONSIBILITY STATEMENTS

- (i) AIS acknowledges that, based on all available information and to the best of its knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts relating to our IPO.
- (ii) This Prospectus has been seen and approved by our Directors and Promoters, and they collectively and individually accept full responsibility for the accuracy of the information. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statement or other facts which if omitted, would make any statement in this Prospectus false or misleading.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE

THIS SUMMARY OF PROCEDURES FOR APPLICATION AND ACCEPTANCE DOES NOT CONTAIN THE DETAILED PROCEDURES AND FULL TERMS AND CONDITIONS AND YOU CANNOT RELY ON THIS SUMMARY FOR PURPOSES OF ANY APPLICATION FOR OUR IPO SHARES. YOU MUST REFER TO THE DETAILED PROCEDURES AND TERMS AND CONDITIONS AS SET OUT IN THE “DETAILED PROCEDURES FOR APPLICATION AND ACCEPTANCE” ACCOMPANYING THE ELECTRONIC COPY OF OUR PROSPECTUS ON THE WEBSITE OF BURSA SECURITIES. YOU SHOULD ALSO CONTACT OUR ISSUING HOUSE FOR FURTHER ENQUIRIES.

Unless otherwise defined, all words and expressions used here shall carry the same meaning as ascribed to them in our Prospectus.

Unless the context otherwise requires, words used in the singular include the plural, and vice versa.

14.1 OPENING AND CLOSING OF APPLICATIONS

OPENING OF THE APPLICATION PERIOD: 10.00 A.M., 23 SEPTEMBER 2022

CLOSING OF THE APPLICATION PERIOD: 5.00 P.M., 30 SEPTEMBER 2022

Applications for the IPO Shares will open and close at the dates stated above.

In the event there is any change to the dates stated above, we will advertise the notice of the change in a widely circulated daily English and Bahasa Malaysia newspaper in Malaysia.

Late Applications will not be accepted.

14.2 METHODS OF APPLICATIONS

14.2.1 Application for our IPO Shares by the Malaysian Public and our Eligible Persons

<u>Types of Application and category of investors</u>	<u>Application method</u>
Applications by Eligible Persons	Pink Application Form only
Applications by the Malaysian Public:	
(a) Individuals	White Application Form or Electronic Share Application or Internet Share Application
(b) Non-Individuals	White Application Form only

14.2.2 Application by selected investors via placement

<u>Types of Application</u>	<u>Application method</u>
Applications by: Selected investors	The Placement Agent will contact the selected investors directly. They should follow the Placement Agent's instructions.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)**14.3 ELIGIBILITY****14.3.1 General**

You must have a CDS account and a correspondence address in Malaysia. If you do not have a CDS account, you may open a CDS account by contacting any of the ADAs set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities. The CDS account must be in your own name. Invalid, nominee or third party CDS accounts will not be accepted for the Applications.

Only **ONE** Application Form for each category from each applicant will be considered and **APPLICATIONS MUST BE FOR AT LEAST 100 IPO SHARES OR MULTIPLES OF 100 IPO SHARES.**

MULTIPLE APPLICATIONS WILL NOT BE ACCEPTED UNLESS EXPRESSLY ALLOWED IN THESE TERMS AND CONDITIONS. AN APPLICANT WHO SUBMITS MULTIPLE APPLICATIONS IN HIS OWN NAME OR BY USING THE NAME OF OTHERS, WITH OR WITHOUT THEIR CONSENT, COMMITS AN OFFENCE UNDER SECTION 179 OF THE CMSA AND IF CONVICTED, MAY BE PUNISHED WITH A MINIMUM FINE OF RM1,000,000 AND A JAIL TERM OF UP TO 10 YEARS UNDER SECTION 182 OF THE CMSA.

AN APPLICANT IS NOT ALLOWED TO SUBMIT MULTIPLE APPLICATIONS IN THE SAME CATEGORY OF APPLICATION.

14.3.2 Application by the Malaysian Public

You can only apply for our IPO Shares if you fulfill all of the following:

- (i) You must be one of the following:
 - (a) a Malaysian citizen who is at least 18 years old as at the date of the application for our IPO Shares; or
 - (b) a corporation / institution incorporated in Malaysia with a majority of Malaysian citizens on your board of directors / trustees and if you have a share capital, more than half of the issued share capital, excluding preference share capital, is held by Malaysian citizens; or
 - (c) a superannuation, co-operative, foundation, provident, pension fund established or operating in Malaysia.
- (ii) You must not be a director or employee of our Issuing House or an immediate family member of a director or employee of our Issuing House; and
- (iii) You must submit Applications by using only one of the following methods:
 - (a) White Application Form;
 - (b) Electronic Share Application; or
 - (c) Internet Share Application.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.3.3 Application by Eligible Persons

The Eligible Persons will be provided with Pink Application Forms and letters from us detailing their respective allocation.

Eligible Persons may request for a copy of the printed Prospectus from our Company at no cost and are given an option to have the printed Prospectus delivered to them free of charge, or to obtain the printed Prospectus from our Company, our Issuing House, AIS, Participating Organisations of Bursa Securities and Members of the Association of Banks in Malaysia or Malaysian Investment Banking Association.

14.4 PROCEDURES FOR APPLICATION BY WAY OF APPLICATION FORMS

The Application Form must be completed in accordance with the notes and instructions contained in the respective category of the Application Form. Applications made on the incorrect type of Application Form or which do not conform **STRICTLY** to the terms of our Prospectus or the respective category of Application Form or notes and instructions or which are illegible will not be accepted.

The FULL amount payable is RM0.29 for each IPO Share.

Payment must be made out in favour of "**MIH SHARE ISSUE ACCOUNT NUMBER 618**" and crossed "**A/C PAYEE ONLY**" and endorsed on the reverse side with your name and address.

Each completed Application Form, accompanied by the appropriate remittance and legible photocopy of the relevant documents may be submitted using one of the following methods:

- (i) despatched by **ORDINARY POST** in the official envelopes provided, to the following address:

Malaysian Issuing House Sdn Bhd
Registration Number: 199301003608 (258345-X)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

or

P.O. Box 00010
Pejabat Pos Jalan Sultan
46700 Petaling Jaya
Selangor Darul Ehsan

- (ii) **DELIVERED BY HAND AND DEPOSITED** in the drop-in boxes provided at the front portion of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, so as to arrive not later than 5.00 p.m. on 30 September 2022 or by such other time and date specified in any change to the date or time for closing.

We, together with our Issuing House, will not issue any acknowledgement of the receipt of your Application Forms or Application monies. Please direct all enquiries in respect of the White Application Form to our Issuing House.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.5 PROCEDURES FOR APPLICATION BY WAY OF ELECTRONIC SHARE APPLICATIONS

Only Malaysian individuals may apply for our IPO Shares offered to the Malaysian Public by way of Electronic Share Application.

Electronic Share Applications may be made through the ATM of the following Participating Financial Institutions and their branches, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, AmBank (M) Berhad, CIMB Bank Berhad, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Participating Financial Institutions (unless waived) for each Electronic Share Application.

The exact procedures, terms and conditions for Electronic Share Application are set out on the ATM screens of the relevant Participating Financial Institutions.

14.6 PROCEDURES FOR APPLICATION BY WAY OF INTERNET SHARE APPLICATIONS

Only Malaysian individuals may use the Internet Share Application to apply for our IPO Shares offered to the Malaysian Public.

Internet Share Applications may be made through an internet financial services website of the Internet Participating Financial Institutions, namely, Affin Bank Berhad, Alliance Bank Malaysia Berhad, CIMB Bank Berhad, CGS-CIMB Securities Sdn Bhd, Malayan Banking Berhad, Public Bank Berhad and RHB Bank Berhad. A processing fee will be charged by the respective Internet Participating Financial Institutions (unless waived) for each Internet Share Application.

The exact procedures, terms and conditions for Internet Share Application are set out on the internet financial services website of the respective Internet Participating Financial Institutions.

14.7 AUTHORITY OF OUR BOARD AND OUR ISSUING HOUSE

Our Issuing House, on the authority of our Board reserves the right to:

- (i) reject Applications which:
 - (a) do not conform to the instructions of our Prospectus, Application Forms, Electronic Share Application and Internet Share Application (where applicable); or
 - (b) are illegible, incomplete or inaccurate; or
 - (c) are accompanied by an improperly drawn up, or improper form of, remittance; or
- (ii) reject or accept any Application, in whole or in part, on a non-discriminatory basis without the need to give any reason; and
- (iii) bank in all Application monies (including those from unsuccessful / partially successful applicants) which would subsequently be refunded, where applicable (without interest), in accordance with Section 14.9 below.

If you are successful in your Application, our Board reserves the right to require you to appear in person at the registered office of our Issuing House at any time within 14 days of the date of the notice issued to you to ascertain that your Application is genuine and valid. Our Board shall not be responsible for any loss or non-receipt of the said notice nor will it be accountable for any expenses incurred or to be incurred by you for the purpose of complying with this provision.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.8 OVER / UNDER-SUBSCRIPTION

In the event of over-subscription, our Issuing House will conduct a ballot in the manner approved by our Directors to determine the acceptance of Applications in a fair and equitable manner. In determining the manner of balloting, our Directors will consider the desirability of allotting and allocating our IPO Shares to a reasonable number of applicants for the purpose of broadening the shareholding base of our Company and establishing a liquid and adequate market for our Shares.

The basis of allocation of shares and the balloting results in connection therewith will be furnished by our Issuing House to Bursa Securities, all major Bahasa Malaysia and English newspapers as well as posted on our Issuing House's website www.mih.com.my within 1 business day after the balloting event.

Pursuant to the Listing Requirements we are required to have a minimum of 25.00% of our Company's issued share capital to be held by at least 200 public shareholders holding not less than 100 Shares each upon Listing and completion of our IPO. We expect to achieve this at the point of Listing. In the event the above requirement is not met, we may not be allowed to proceed with our Listing. In the event thereof, monies paid in respect of all Applications will be returned in full (without interest).

In the event of an under-subscription of our IPO Shares by the Malaysian Public and / or Eligible Persons, subject to the underwriting arrangements and reallocation as set out in Section 4.1.2(b) of our Prospectus, any of the abovementioned IPO Shares not applied for will then be subscribed by our Sole Underwriter based on the terms of the Underwriting Agreement.

14.9 UNSUCCESSFUL / PARTIALLY SUCCESSFUL APPLICANTS

If you are unsuccessful / partially successful in your Application, your application monies (without interest) will be refunded to you in the following manner.

14.9.1 For applications by way of Application Forms

- (i) The Application monies or the balance of it, as the case may be, will be returned to you through the self-addressed and stamped Official "A" envelope you provided by ordinary post (for fully unsuccessful applications) or by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or if you have not provided such bank account information to Bursa Depository, the balance of Application monies will be refunded via banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository (for partially successful applications) within 10 Market Days from the date of the final ballot at your own risk.
- (ii) If your Application is rejected because you did not provide a CDS account number, your Application monies will be refunded via banker's draft sent by ordinary / registered post to your address as stated in the NRIC or any official valid temporary identity document issued by the relevant authorities from time to time or the authority card (if you are a member of the armed forces or police) at your own risk.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected or unsuccessful or only partly successful will be refunded (without interest) by our Issuing House as per items (i) and (ii) above (as the case may be).

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

- (iv) Our Issuing House reserves the right to bank into its bank account all Application monies from unsuccessful applicants. These monies will be refunded (without interest) within 10 Market Days from the date of the final ballot by crediting into your bank account (the same bank account you have provided to Bursa Depository for the purposes of cash dividend / distribution) or by issuance of banker's draft sent by ordinary / registered post to your last address maintained with Bursa Depository if you have not provided such bank account information to Bursa Depository or as per item (ii) above (as the case may be).

14.9.2 For applications by way of Electronic Share Application and Internet Share Application

- (i) Our Issuing House shall inform the Participating Financial Institutions or Internet Participating Financial Institutions of the unsuccessful or partially successful Applications within 2 Market Days after the balloting date. The full amount of the Application monies or the balance of it will be credited without interest into your account with the Participating Financial Institutions or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) within 2 Market Days after the receipt of confirmation from our Issuing House.
- (ii) You may check your account on the 5th Market Day from the balloting date.
- (iii) A number of Applications will be reserved to replace any successfully balloted Applications that are subsequently rejected. The Application monies relating to these Applications which are subsequently rejected will be refunded (without interest) by our Issuing House by crediting into your account with the Participating Financial Institution or Internet Participating Financial Institutions (or arranged with the Authorised Financial Institutions) not later than 10 Market Days from the date of the final ballot. For Applications that are held in reserve and which are subsequently unsuccessful or partially successful, the relevant Participating Financial Institutions will be informed of the unsuccessful or partially successful Applications within 2 Market Days after the final balloting date. The Participating Financial Institutions will credit the Application monies or any part thereof (without interest) within 2 Market Days after the receipt of confirmation from our Issuing House.

14.10 SUCCESSFUL APPLICANTS

If you are successful in your application:

- (i) Our IPO Shares allotted to you will be credited into your CDS account.
- (ii) A notice of allotment will be despatched to you at your last address maintained with the Bursa Depository, at your own risk, before our Listing. This is your only acknowledgement of acceptance of your Application.
- (iii) In accordance with Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares as Prescribed Securities. As such, our IPO Shares issued / offered through our Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares will be carried out in accordance with the SICDA and Rules of Bursa Depository.
- (iv) In accordance with Section 29 of the SICDA, all dealings in our IPO Shares will be by book entries through CDS accounts. No physical share certificates will be issued to you and you shall not be entitled to withdraw any deposited securities held jointly with Bursa Depository or its nominee as long as our Shares are listed on Bursa Securities.

14. SUMMARISED PROCEDURES FOR APPLICATION AND ACCEPTANCE (CONT'D)

14.11 ENQUIRIES

Enquiries in respect of the applications may be directed as follows:

Mode of application		Parties to direct the enquiries
Application Form		MIH Enquiry Services at telephone no. (03) 7890 4700
Electronic Application	Share	Participating Financial Institution
Internet Application	Share	Internet Participating Financial Institution and Authorised Financial Institution

You may also check the status of your Application by calling your respective ADA during office hours at the telephone number as set out in Section 12 of the Detailed Procedures for Application and Acceptance accompanying the electronic copy of our Prospectus on the website of Bursa Securities.

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Registration No. 202101019497 (1419797-M)

APPENDIX A – PROPERTIES, PLANT AND EQUIPMENT

A1 Properties owned by our Group

A summary of the material properties owned by our Group as at the LPD are as follows:

No.	Registered / Beneficial owner	Title details / Property address	Description and existing use	Category of land use / Tenure of property	Restrictions in interest / Material encumbrance(s)	Date of issuance of CF / CCC	Land / Built-up area (sq. ft.)	NBV as at 31 March 2022 RM'000
1.	Registered owner Potential Rajawali Sdn Bhd (1)	Title details H.S.(D) 299343 Bandar Shah Alam PT 351 Seksyen 23 Daerah Petaling Negeri Selangor	Description Three (3) storey link factory cum office building Existing use Storage and office for operation and maintenance department	Category of land use Industry Tenure of property Freehold	Restrictions in interest This land shall not be transferred, leased or charged except with the permission of the state authority. Material encumbrances NIL	6 January 2017	3645.74/ 5,899	2,564
	Beneficial owner Fabulous Sunview	Property address No. 7, Jalan 22/6 Seksyen 22, 40300 Shah Alam, Selangor						

APPENDIX A – PROPERTIES, PLANT AND EQUIPMENT (CONT'D)

A2 Properties rented

A summary of the material properties rented by our Group as at the LPD are as follows:

No.	Landlord/ Lessor	Tenant/ Lessee	Property address	Description and Existing use	Land / Built-up area (sq. ft.)	Tenure	Date of issuance of CF / CCC	Rental per month RM'000
1.	Vistayu Sdn Bhd	Fabulous Sunview	01-9, 9th Floor, Menara Symphony, No. 5 Jalan Prof Khoo Kay Kim, Seksyen 13 46200 Petaling Jaya, Selangor	<u>Description</u> Office Building <u>Existing use</u> Corporate and administrative office	77,855.36 / 7,792.00	1 September 2021 to 31 August 2024	29 January 2019	40.52
2.	F.Y. Food Processing Sdn Bhd	Vafe System	28, Jalan Chepor 11/1, Kawasan Perushaan Seramik Chepor 31200 Chemor, Ipoh, Perak	<u>Description</u> Industrial building <u>Existing use</u> For installation, commissioning, operation and maintenance of the solar system on the rooftops *	297,729.76 / 83,477.57	1 December 2015 to 31 December 2037	24 April 2002	4.17
3.	Thye Huat Chan Sdn Bhd	Suntech Energy	No. 2887, Jalan Rozhan Alma 14000 Bukit Mertajam, Pulau Pinang	<u>Description</u> Industrial Building <u>Existing use</u> For installation, commissioning, operation and maintenance of the solar system on the rooftops *	352,596.38 / 84,526.57	10 March 2017 to 9 March 2030	26 January 1995	10.00

APPENDIX A – PROPERTIES, PLANT AND EQUIPMENT (CONT'D)

No.	Landlord/ Lessor	Tenant/ Lessee	Property address	Description and Existing use	Land / Built-up area (sq. ft.)	Tenure	Date of issuance of CF / CCC	Rental per month RM'000
4.	Steelcon Heat Transfer Equipment Sdn Bhd	Suntech Energy	Lot 732, PT 1659, Jalan Zamrud 1, Kawasan Perindustrian Nilai 2, 71800 Nilai, Negeri Sembilan	<u>Description</u> Industrial building <u>Existing use</u> For installation, commissioning, and operation and maintenance of the solar system on the rooftops *	206,548.68 / 97,753.72	1 February 2016 to 31 January 2032	23 August 2016	7.50

Notes:

* The solar system was constructed and operated on the rooftop of the building.

(1) The Group is in the midst of transferring the property ownership from the developer, Potential Rajawali Sdn Bhd to Fabulous Sunview and charge the property as a security to Maybank Islamic Berhad.

A3 Regulatory requirements and environmental issue

As at the LPD, there is no breach of any property or land use conditions and/or non-compliance with any regulatory requirement, land rules, and building regulations, and there are no environmental issues which may materially affect our Group's operation and usage of the property owned and rented by our Group as set out in Sections A1 and A2 respectively of this appendix.

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS

Details of major approvals, licences and permits applicable to our Group as at the LPD are as follows:

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
1.	Fabulous Sunview	Registration under Construction Industry Development Board – Grade G2 and G7* contractor	CIDB	0120140709-WP157785	24 September 2021 / 23 September 2024	<p>(i) The contractor shall not undertake any construction project which exceeds the value of the construction project specified under the registration grade and shall not execute any construction project which is outside the registered category.</p> <p>(ii) All employees at the construction site must have a valid CIDB Green Card.</p> <p>(iii) The contractor shall submit information in relation to any construction work or project within 14 days from the award of construction work or prior to work commencement or whichever comes first.</p>	Complied
2.	Fabulous Sunview	Registration of company for supply / service	Ministry of Finance Malaysia	Certification No.: K10343006053055473 Reference No.: 357-0002298640	06 December 2021 / 10 December 2024	(i) Online changes are to be made where there are any changes to the information submitted by the company in respect of the registration with Ministry of Finance within 21 days from the date of such changes to the information.	Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
3.	Fabulous Sunview	Registration of photovoltaic service provider to participate in FIT programme, NEM programme or any programme governed under Renewable Energy Act 2011	SEDA	SEDA- RPVSP-2022/052	17 January 2022 / 31 December 2022	(ii) Newly registered company shall not change the shareholders or directors within 6 months from the date of registration. The registration must be renewed at least 60 days before the expiry date.	Complied Noted
4.	Fabulous Sunview	Registration of photovoltaic investor in NEM Programme	SEDA	SEDA-RPVI-2022/060	17 January 2022 / 31 December 2022	(i) The registration must be renewed at least 30 days before the expiry date. (ii) Local company applicant must have a minimum share capital of RM1,000,000.00.	Noted Complied
5.	Fabulous Sunview	Registration of the Electric Contractor	Energy Commission	ST(TKL)SGR/C/KE/02711/2017	18 June 2021 / 17 June 2026	None	N/A
6.	Fabulous Sunview	Licence for public installation within the boundaries of part of No. Lot 9181, Mukim Bandar Kulim, Daerah Kulim, 09000 Kedah	Energy Commission	LA 12/1/13/140 (Solar Leasing)	13 June 2022 / 12 June 2042	(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p>	Complied
						<p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Minister.</p>	Complied
						<p>(iv) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under the terms and conditions of this license except with the prior written consent of the Minister.</p>	Complied
						<p>(v) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Minister.</p>	Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
7.	Fabulous Sunview	Licence for public installation within the boundaries of part of No. Lot 9181, Mukim Bandar Kulim, Daerah Kulim, 09000 Kedah	Energy Commission	LA 12/1/13/141 (Solar Leasing)	13 June 2022 / 12 June 2042	(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme. (ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.	Complied
						(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Minister.	Complied
						(iv) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under the terms and conditions of this license except with the prior written consent of the Minister.	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
8.	Fabulous Sunview	Registration of the Contractor Grade G2 and G7*	Tenaga Nasional Berhad	0120140709-WP157785	18 November 2021 / 23 September 2024	(v) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Minister. The validity period of this registration is subject to the validity of the Certificate of Registration with Ministry of Finance, CIDB and other relevant professions.	Noted
9.	Fabulous Sunview	Registration of Energy Service Company (ESCO)	Energy Commission	ESCO 240 (2020)/103/2021	26 October 2021 / 25 October 2022	(i) The renewal of the Certificate of Registration as an ESCO must be made not less than one (1) month before the date of expiry of the registration. (ii) The Certificate of Registration as an ESCO cannot be transferred without prior approval from Energy Commission. (iii) Any change of name, address and other details of the business or company stated in the Certificate of Registration must be informed in writing to Energy Commission within 14 days of such change. (iv) In the event of any change or replacement of an appointed Registered Electrical Energy	Noted Noted Noted Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
10.	Solarcity REIT	Registration of photovoltaic investor service in NEM Programme	SEDA	SEDA-RPVI-2022/077	17 January 2022 / 31 December 2022	<p>Manager, the Registered ESCO shall ensure that a new Registered Electrical Energy Manager be appointed to effect such change or replacement and shall notify in writing to Energy Commission within 14 days of such change or replacement.</p> <p>(v) All electrical works in relation to the Energy Services provided by the Registered ESCO must be performed by competent Persons in accordance with the Electricity Supply Act 1990 and the Electricity Regulations 1994.</p>	Complied
11.	Solarcity REIT	Licence for the participation in the NEM Scheme at part of Lot 7067 and 7068, Tempatan Batu 9, Jalan Ayer Hitam, Mukim Kluang, Daerah Kluang, Negeri Johor	Energy Commission	LA/12/1/12/464 (PV-NEM)	14 July 2021 / 13 July 2041	<p>(i) The registration must be renewed at least 30 days before the expiry date.</p> <p>(ii) Local company applicant must have a minimum share capital of RM1,000,000.00.</p> <p>The electrical installation shall be operated and maintained by qualified competent person.</p>	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
12.	Solarcity REIT	Licence for the participation in the NEM Scheme at part of Lot 2773, 2774 and 3031, Tempat Kluang, Mukim Kluang, Daerah Kluang, Negeri Johor	Energy Commission	LA/12/1/12/463 (PV-NEM)	14 July 2021 / 13 July 2041	The electrical installation shall be operated and maintained by qualified competent person.	Complied
13.	Solarcity REIT	Licence for the participation in the NEM Scheme at part of Lot 3023, Tempat Kluang, Mukim Kluang, Daerah Kluang, Negeri Johor	Energy Commission	LA/12/1/12/465 (PV-NEM)	14 July 2021 / 13 July 2041	The electrical installation shall be operated and maintained by qualified competent person.	Complied
14.	Solarcity REIT	Licence for public installation within the boundaries of part of Lot 1064, Bandar Kluang, Negeri Johor	Energy Commission	LA 12/1/12/764 (NEM PPA – Leasing)	24 November 2021 / 23 November 2041	(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme. (ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Energy Commission.	Noted
						(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Malaysia.	Noted
						(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.	Complied
						(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
15.	Solarcity REIT	Licence for public installation within the boundaries of part of Lot 1064, Bandar Kluang, Negeri Johor	Energy Commission	LA 12/1/12/765 (NEM PPA-Leasing)	24 November 2021 / 23 November 2041	<p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p> <p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p> <p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding</p>	Noted
							Complied
							Complied
							Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>structure shall subject to the prior written approval of Energy Commission.</p> <p>(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Malaysia.</p> <p>(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.</p> <p>(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p> <p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy</p>	<p>Noted</p> <p>Complied</p> <p>Complied</p> <p>Noted</p>

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
16.	Solarcity REIT	Licence for public installation within the boundaries of part of No. Lot 107153, Mukim Bandar Ipoh (U), Daerah Kinta 30450 Negeri Perak	Energy Commission	LA 12/1/13/101 (NEM PPA-Leasing)	24 November 2021 / 23 November 2041	<p>Commission.</p> <p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p> <p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the licence period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Energy Commission.</p> <p>(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and</p>	Complied
							Complied
							Noted
							Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Malaysia.</p> <p>(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.</p>	Complied
						<p>(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p>	Complied
						<p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p>	Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
17.	Solarcity REIT	Licence for public installation within the boundaries of part of No. Lot 107153, Mukim Bandar Ipoh (U), Daerah Kinta 30450 Negeri Perak	Energy Commission	LA 12/1/13/102 (NEM PPA-Leasing)	24 November 2021 / 23 November 2041	<p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p> <p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Energy Commission.</p> <p>(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and all relevant authorities, the licensee may apply for its shares</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p> <p>Noted</p>

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>to be listed and quoted on Bursa Malaysia.</p> <p>(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.</p>	Complied
						<p>(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p>	Complied
						<p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p>	Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
18.	Solarcity REIT	Licence for public installation within the boundaries of part of No. Lot 6147, Mukim Tanggal, Daerah Hulu Terengganu, 21800 Terengganu	Energy Commission	LA 12/1/13/78 (Solar Leasing)	20 October 2021 / 19 October 2041	<p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p> <p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Energy Commission.</p> <p>(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and all relevant authorities, the licensee may apply for its shares</p>	Complied
							Complied
							Noted
							Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>to be listed and quoted on Bursa Malaysia.</p> <p>(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.</p> <p>(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p> <p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
19.	Solarcity REIT	Licence for public installation within the boundaries of part of No. Lot 6147, Mukim Tanggal, Daerah Hulu Terengganu, 21800 Terengganu	Energy Commission	LA 12/1/13/79 (Solar Leasing)	20 October 2021 / 19 October 2041	(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p>	Complied
						<p>(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.</p>	Complied
						<p>(iii) The licensee shall undertake that the present shareholders and shareholding structure shall remain the same throughout the license period. Any changes to the shareholders and the shareholding structure shall subject to the prior written approval of Energy Commission.</p>	Noted
						<p>(iv) Notwithstanding the above and subject to the prior written approval of the Commission, and all relevant authorities, the licensee may apply for its shares to be listed and quoted on Bursa Malaysia.</p>	Noted
						<p>(v) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and</p>	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
20.	Solarcity REIT	Licence for public installation within the boundaries of part of No. Lot 9784, Mukim Bukit Baru, Daerah Melaka Tengah, Negeri Melaka	Energy Commission	LA 12/11/14/293 NOVA (PPA-Leasing)	13 June 2022 / 12 June 2032	<p>privileges or part thereof under this licence including its conditions except with the prior written consent of the Energy Commission.</p> <p>(vi) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.</p> <p>(vii) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.</p>	<p>Complied</p> <p>Noted</p>
						<p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p>	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						(ii) The shareholders and the shareholding structure of the licensee shall be in accordance with the declaration made by the Licensee upon submission of licence application.	Complied
						(iii) The licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof under this license including its conditions except with the prior written consent of the Energy Commission.	Complied
						(iv) The licence shall not be transferred, charged, pledged or otherwise encumbered without the prior written consent of the Energy Commission.	Complied
						(v) The creation of any charge, mortgage, pledge, lien or other security over the land used for solar photovoltaic system and any associated facilities are prohibited unless with the prior written consent of the Energy Commission.	Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
21.	Solare Truss	Registration of photovoltaic service provider to participate in FIT programme, NEM programme or any programme governed under Renewable Energy Act 2011	SEDA	SEDA-RPVSP-2022/086	17 January 2022 / 31 December 2022	The registration must be renewed at least 30 days before the expiry date.	Noted
22.	Suntech Energy	Tax exemption under P.U. (A) 112 Income Tax (Exemption) (No. 11) Order 2006 under Income Tax Act 1967	MIDA	MIDA Reference No.: 020/003278/000 1/PS	1 March 2015 / 28 February 2025	<p>(i) Licensee must operate from Lot 732, Jalan Zamrud 1 Nilai 2 Industrial Estate 71800 Seremban, Negeri Sembilan Darul Khusus.</p> <p>(ii) At least 60% of the Licensee's shares must be purchased and held by Malaysian citizens during the tax exemption period.</p> <p>(iii) Licensee is required to increase their paid-up capital based on a debt-to-equity ratio not exceeding 5:1.</p> <p>(iv) To generate and supply electricity under the FIT program, and deal directly with SEDA, Tenaga Nasional Berhad and the Energy Commission.</p>	Complied Complied Complied Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
23.	Suntech Energy	Feed-In Approval for the renewable energy installation at No. 2887, Jalan Rozhan, Jalan Alma 14000 Bukit Mertajam, Pulau Pinang	SEDA	Certificate No.: A00010100 Application No.: S2016040016	1 June 2016 / 19 December 2037	To notify SEDA in writing of any change in the particulars of information submitted to SEDA.	Complied
24.	Suntech Energy	License for generation and supply of electricity at Lot 892, Mukim 15, Daerah Seberang Perai Tengah, 14000 Pulau Pinang	Energy Commission	LRE 12/1/6/353 (PV)	2 November 2016 / 19 December 2037	(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme. (ii) Shareholders and shareholding structure of the Licensee remain the same within 2 years from the date of successful commissioning of the generating facility, any changes are subject to approval of the Minister. (iii) To give Energy Commission of not less than 2 months prior written notice of its intention to acquire or relinquish control over any asset with value in excess of RM10,000,000, relevant to the generating facility together with	Complied Noted Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
						<p>such further information as Energy Commission may request relating to the acquisition, disposal or relinquishment of control.</p> <p>(iv) Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof except with prior written approval of the Minister.</p> <p>(v) The licence shall not be transferred, charged, pledged or otherwise encumbered without prior written approval of the Minister.</p> <p>(vi) The creation of any charges, mortgages, pledges, or other securities over the land used for the generating facility is prohibited without express written consent of the Minister.</p>	<p>Complied</p> <p>Complied</p> <p>Noted</p>
25.	Suntech Energy	Feed-In Approval for the renewable energy installation at Lot 732, Jalan Zamrud 1, Kawasan Perindustrian Nilai 2, 71800, Seremban Negeri Sembilan	SEDA	Certificate No.: A00004620 Application No.: S2014070003	7 July 2014 / 28 December 2035	Changes to the corporate information of the Company has to be updated to SEDA in writing.	Complied

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
26.	Suntech Energy	License for generation and supply of electricity at Lot 732, Pekan Nilai, 71800, Seremban Negeri Sembilan	Energy Commission	LRE 12/1/6/177 (PV)	8 January 2015 / 28 December 2035	<p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) Shareholders and shareholding structure of the Licensee remain the same within 2 years from the date of successful commissioning of the generating facility, any changes are subject to approval of the Minister.</p> <p>(iii) To give Energy Commission of not less than 2 months prior written notice of its intention to acquire or relinquish control over any asset with value in excess of RM10,000,000, relevant to the generating facility together with such further information as Energy Commission may request relating to the acquisition, disposal or relinquishment of control.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
27.	Vafe System	Pioneer Incentive, tax exemption under Promotion of Investment Act 1986, P.U.(A) 60/2012 (Generation of Electricity by Solar Energy)	MIDA	MIDA Reference No.: 020/40100/0437 72/000002ACI	11 December 2017 / 10 December 2022	<p>(iv) Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof except with prior written approval of the Minister.</p> <p>(v) The licence shall not be transferred, charged, pledged or otherwise encumbered without prior written approval of the Minister.</p> <p>(vi) The creation of any charges, mortgages, pledges, or other securities over the land used for the generating facility is prohibited without express written consent of the Minister.</p>	Complied
						<p>(i) To generate electricity with solar at Lot 305014, Mukim Hulu Kinta, 31200 Kinta, Perak Darul Ridzuan</p> <p>(ii) The manpower of the company must be comprised of 80% Malaysians at all times.</p> <p>(iii) The renewal of a further 5 years of pioneer status must be done by 10 November 2022.</p>	Complied
							Complied
							Noted

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
28.	Vafe System	License for generation and supply of electricity at Lot 305014, Mukim Hulu Kinta, Daerah Kinta, Perak	Energy Commission	LRE 12/1/6/393 (PV)	27 December 2016 / 28 December 2037	<p>(i) Licensee shall submit to Energy Commission at monthly interval, information on the maximum daily load, energy sold per month, overall plant efficiency and performance, quantity of renewable energy sources used per month, accidents, breakdown of major plants or equipment, forced and mandatory outages and schedule of maintenance and overhaul programme.</p> <p>(ii) Shareholders and shareholding structure of the Licensee remain the same within 2 years from the date of successful commissioning of the generating facility, any changes are subject to approval of the Minister.</p> <p>(iii) To give Energy Commission of not less than 2 months prior written notice of its intention to acquire or relinquish control over any asset with value in excess of RM10,000,000, relevant to the generating facility together with such further information as Energy Commission may request relating to the acquisition, disposal or relinquishment of control.</p>	<p>Complied</p> <p>Noted</p> <p>Noted</p>

APPENDIX B – MAJOR APPROVALS, LICENCES AND PERMITS (CONT'D)

No.	Company	Description of licence / approval	Authority	Licence No. / Reference No.	Issuance date / Expiry date	Major conditions imposed	Status of compliance
29.	Vafe System	Feed-In Approval for the renewable energy installation at Lot 305014, Mukim Hulu Kinta 31200 Kinta, Perak	SEDA	Certificate No.: A00010031 Application No.: S2016040036	10 May 2016 / 28 December 2037	(iv) Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges or part thereof except with prior written approval of the Minister. (v) The licence shall not be transferred, charged, pledged or otherwise encumbered without prior written approval of the Minister. (vi) The creation of any charges, mortgages, pledges, or other securities over the land used for the generating facility is prohibited without express written consent of the Minister.	Complied Complied Noted
						Changes to the corporate information of the Company has to be updated to SEDA in writing.	Complied

Note:

* This certificate enables a company to tender for contracts with no limits on the value of construction works.

APPENDIX C – MATERIAL REGULATORY REQUIREMENTS

The nature of our Group's business is regulated by, and where applicable is required to be licensed under specific laws of Malaysia. The following is an overview of the material regulatory requirements which govern the conduct of our business operation. Nevertheless, the following laws and regulations shall not be taken as an exhaustive list in which our Group's business is subject to.

1. RE Act 2011

The RE Act 2011 provides for the establishment and implementation of a special tariff system to catalyse the generation of RE.

Under the RE Act 2011, a person shall be eligible to apply for a feed-in approval to participate in the feed-in tariff system if such person proposes to generate RE from a RE installation having an installed capacity of not more than 30 MW or such higher installed capacity as may be approved and such person meets such other criteria as may be prescribed by SEDA from time to time. If a company commits an offence under RE Act 2011 or its subsidiary legislations, the person who at the time of the offence was a director, chief executive officer, chief operating officer, manager, secretary or other similar officer of the company or one purporting to act in any such capacity or was responsible for the management of any of the affairs of the company, may be charged severally or jointly in the same proceedings as the company, and if the company is found guilty, the said person shall be deemed guilty of that offence unless he proves that the offence was committed without his knowledge, consent or connivance and that all reasonable precautions and due diligence were exercised to prevent the offence.

Pursuant to Schedule 5 of the RE (Technical and Operational Requirements) Rules 2011 ("**RETO 2011**"), the various categories of work under the FIT programme should only be carried out by person who possesses the requisite qualifications, such as, having a Certificate of Competency issued by Energy Commission under the Electricity Supply Act 1990, being registered with the Board of Engineers Malaysia as a professional electrical engineer and/or having a certificate in solar PV system design from any institution that is recognised by SEDA. Any person who commits an offence under the RETO 2011 shall on conviction, be liable to a fine not exceeding RM300,000 or to imprisonment for a term not exceeding 3 years, or both.

The Energy Commission had also issued the Guidelines on Solar Photovoltaic Installation on NEM Scheme under the Electricity Supply Act 1990 for the implementation of the solar PV installation on the NEM programme. The NEM Guidelines set out, amongst others, the design criteria and requirement, types of installation, capacity limit and application process of solar PV installations under NEM programmes.

As at the LPD, Fabulous Sunview is certified by SEDA as a PV service provider to participate in any programme under the RE Act 2011 and solar PV service investor under NEM programme; Solarcity REIT is a certified solar PV service investor under NEM programme; and Solare Truss is certified as a PV service provider to participate in any programme under the RE Act 2011.

2. Electricity Supply Act 1990 ("ES Act 1990**")**

The ES Act 1990 regulates the electricity supply industry, the supply of electricity at reasonable prices, the licensing of any electrical installation, the control of any electrical installation, plant and equipment with respect to matters relating to the safety of persons and the efficient use of electricity and for purposes connected therewith.

APPENDIX C – MATERIAL REGULATORY REQUIREMENTS (CONT'D)

Under the ES Act 1990, subject to exemptions prescribed, no person other than a supply authority shall use, work or operate or permit to be used, worked or operated any installation or supply to any other person energy from any installation, except under and in accordance with the terms of a licence granted by the Energy Commission and expressly authorising the supply or use. Any person who supplies electricity from an installation to or for the use of any person without a licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding Ringgit Malaysia One Hundred Thousand (RM100,000.00) and to a further fine not exceeding Ringgit Malaysia One Thousand (RM1,000.00) for every day or part of a day during which the offence continues after conviction.

The Electricity Regulations 1994 provides that any Electrical Services Engineer, Competent Electrical Engineer, Wireman, Chargeman, Electrical Supervisor or Cable Joiner shall possess a valid Certificate of Competency to such category issued by the Energy Commission.

As at LPD, Fabulous Sunview is certified as a registered electric contractor under the Electricity Regulations 1994.

3. Construction Industry Development Board Malaysia Act 1994 (“CIDBA 1994”)

The CIDBA 1994 regulates the establishment of Malaysian Construction Industry Development Board (“CIDB”) and provides for its function in relation to the construction industry and for matters connected therewith throughout Malaysia.

Under the CIDBA 1994, “contractor” is defined as a person who carries out or completed or undertakes to carry out or complete any construction works. Whereas “construction works” for the purpose of CIDB shall mean the construction, extension, installation, repair, maintenance, renewal, removal, renovation, alteration, dismantling or demolition of, inter alia, any electrical or mechanical works; and includes the procurement of construction materials, equipment or workers, necessarily required for any such work.

The CIDBA 1994 provides that no person shall carry out or complete, undertake to carry out or complete any construction works or hold himself out as a contractor, unless the person is registered with CIDB and holds a valid certificate of registration issued by CIDB under CIDBA 1994. Any person who contravenes this shall, on conviction, be liable to a fine of not less than RM10,000 but not more than RM100,000.

Every contractor is also required to declare and submit to the CIDB any contract which he has been awarded or any construction works. Pursuant to the Construction Industry Development Board (Imposition of Levy Order) 2020 and Section 34(2) of the CIDBA 1994, for every contract, whether stamped or not, having a contract sum of above Ringgit Malaysia Five Hundred Thousand (RM500,000.00), the contractor shall be liable to pay to CIDB a levy at the rate of 0.125 per centum of the contract sum. Where a contractor fails to pay any levy due, the contractor shall, on conviction, be liable to a fine not exceeding RM50,000 or 4 times the amount of the levy payable, whichever is higher.

As at the LPD, Fabulous Sunview holds Grade G2 and G7 certificates of registration issued under the CIDBA 1994 and Suntech Energy holds a valid Grade G7 certificates of registration issued under the CIDBA 1994.

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021**

**SUNTECH ENERGY SDN. BHD.
201301028089 (1057919-A)
(Incorporated in Malaysia)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021**

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

**REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

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APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial period ended 31 March 2021.

PRINCIPAL ACTIVITIES

The Group and the Company is principally engaged as solar power plant consultant, developer and Engineering, Procurement, Construction and Commissioning ("EPCC") contractor.

There has been no significant change in the nature of these principal activities during the financial period.

RESULTS

	Group RM	Company RM
Profit for the financial period, net of tax	161,296	223,321
Attributable to:		
Owners of the Company	195,715	223,321
Non-controlling interests	(34,419)	-
	<u>161,296</u>	<u>223,321</u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period.

The directors do not recommend the payment of any dividends in respect of the financial period ended 31 March 2021.

RESERVES OR PROVISIONS

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

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps 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 had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group and the Company which have arisen since the end of the financial period which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group and the Company which have arisen since the end of the financial period.

In the opinion of the directors, no contingent or other liability of the Group and the Company have 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 or of the Company to meet its obligations as and when they fall due.

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Group and the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial period, no new issue of shares or debentures were made by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

The directors in office during the financial period and during the period from the end of the financial period to the date of the report are:

Ng Chee Yee
Khoo Kah Kheng

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial period in shares in the Company during the financial period were as follows:

Interest in the Company

]----- Number of ordinary shares -----[At 31 March 2021
	At 1 January 2020	Bought	Sold	
Direct interests:				
Ng Chee Yee	2,000,000	-	(2,000,000)	-
Khoo Kah Kheng	2,000,000	-	(2,000,000)	-

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director of the Group and of the Company have received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in the financial statements) by reason of a contract made by the Group and the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during, nor at the end of the financial period, was the Group and of the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Group and of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, there was no indemnity coverage and insurance premium paid for the director and officers of the Group and of the Company.

IMMEDIATE HOLDING COMPANY

The directors regard Fabulous Sunview Sdn. Bhd., a company incorporated in Malaysia, as the immediate holding company.

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Details of significant events during the financial period are disclosed in Note 22 to the financial statements.

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 17 to the financial statements.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

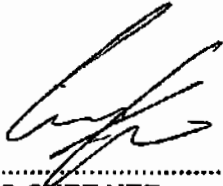
**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

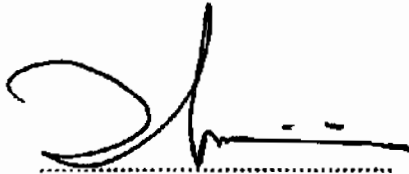
SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

This report was approved and signed in accordance with a resolution of the directors:



.....
NG CHEE YEE
Director



.....
KHOO KAH KHENG
Director

Date: 2 September 2021

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	Group		Company		
		31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
		RM	RM	RM	RM	RM
ASSETS						
Non-current assets						
Property, plant and equipment	5	17,060,939	18,064,933	17,060,939	18,064,933	19,059,949
Investment in subsidiary	6	-	-	-	51	-
Investment in associate	7	459,687	-	490,000	-	-
Total non-current assets		17,520,626	18,064,933	17,550,939	18,064,984	19,059,949
Current assets						
Current tax assets		-	2,976	-	2,976	2,976
Trade and other receivables	8	1,861,960	455,920	1,861,960	459,074	112,576
Contract assets	9	238,134	208,822	238,134	208,822	179,122
Cash and short-term deposits	10	1,758,814	841,003	1,758,814	840,903	876,624
Total current assets		3,858,908	1,508,721	3,858,908	1,511,775	1,171,298
TOTAL ASSETS		21,379,534	19,573,654	21,409,847	19,576,759	20,231,247
EQUITY AND LIABILITIES						
Equity attributable to owners of the Company						
Share capital	11	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Accumulated losses		(1,198,194)	(1,393,909)	(1,167,881)	(1,391,202)	(1,481,427)
Non-controlling interest		-	(2,551)	-	-	-
TOTAL EQUITY		2,801,806	2,603,540	2,832,119	2,608,798	2,518,573
Non-current liabilities						
Loans and borrowings	12	13,627,288	13,328,770	13,627,288	13,328,770	14,596,629
Total non-current liabilities		13,627,288	13,328,770	13,627,288	13,328,770	14,596,629
Current liabilities						
Loans and borrowings	12	1,040,949	626,953	1,040,949	626,953	556,972
Current tax liabilities		12,872	-	12,872	-	-
Trade and other payables	13	3,896,619	3,014,391	3,896,619	3,012,238	2,559,073
Total current liabilities		4,950,440	3,641,344	4,950,440	3,639,191	3,116,045
TOTAL LIABILITIES		18,577,728	16,970,114	18,577,728	16,967,961	17,712,674
TOTAL EQUITY AND LIABILITIES		21,379,534	19,573,654	21,409,847	19,576,759	20,231,247

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

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
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**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD 31 MARCH 2021**

	Note	Group		Company	
		1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
		RM	RM	RM	RM
Revenue	14	7,550,574	2,646,114	7,550,574	2,646,114
Cost of sales		(5,655,354)	(1,092,340)	(5,655,354)	(1,092,340)
Gross profit		1,895,220	1,553,774	1,895,220	1,553,774
Other income	15	109,365	5,362	70,835	5,362
Distribution expenses		(25,091)	(30,302)	(25,091)	(30,302)
Administrative expenses		(811,981)	(416,299)	(741,739)	(410,992)
Other expenses		(80,953)	(47,002)	(80,953)	(47,002)
Operating profit		1,086,560	1,065,533	1,118,272	1,070,840
Finance costs	16	(882,079)	(980,615)	(882,079)	(980,615)
Share of result of associates, net of tax		(30,313)	-	-	-
Profit before tax	17	174,168	84,918	236,193	90,225
Income tax expense	19	(12,872)	-	(12,872)	-
Profit for the financial period/year, representing total comprehensive income for the financial period/year		161,296	84,918	223,321	90,225
Profit/Total comprehensive income attributable to:					
Owners of the Company		195,715	87,518	223,321	90,225
Non-controlling interests		(34,419)	(2,600)	-	-
		161,296	84,918	223,321	90,225

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

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021

Group	Attributable to owners of the Company				Total equity RM
	Share capital RM	Accumulated losses RM	Sub-total RM	Non-Controlling interest RM	
At 1 January 2019					
- As previously reported	4,000,000	(1,208,443)	2,791,557	-	2,791,557
- Effects of MFRS 16	-	(43,601)	(43,601)	-	(43,601)
- Prior year adjustments	-	(229,383)	(229,383)	-	(229,383)
	4,000,000	(1,481,427)	2,518,573	-	2,518,573
Restated balance at 1 January 2019					
Total comprehensive income for the financial year					
- As previously reported	-	788,525	788,525	(49)	788,476
- Prior year adjustment	-	(701,007)	(701,007)	(2,551)	(703,558)
	-	87,518	87,518	(2,600)	84,918
Transaction with owners					
- Prior year adjustment	-	-	-	49	49
Restated balance at 31 December 2019	4,000,000	(1,393,909)	2,606,091	(2,551)	2,603,540
Profit for the financial period	-	195,715	195,715	(34,419)	161,296
Transaction with owners					
- Non-controlling interest arising from disposal of subsidiary	-	-	-	36,970	36,970
At 31 March 2021	4,000,000	(1,198,194)	2,801,806	-	2,801,806

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)
Registration No. 201301028089 (1057919-A)
SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**

Company	Note	Attributable to owners of the ← Company →		Total equity RM
		Share capital RM	Accumulated losses RM	
At 1 January 2019				
- As previously reported		4,000,000	(1,208,443)	2,791,557
- Effects of MFRS 16		-	(43,601)	(43,601)
- Prior year adjustments	23	-	(229,383)	(229,383)
Restated balance at 1 January 2019		4,000,000	(1,481,427)	2,518,573
Total comprehensive income for the financial year				
- As previously reported		-	793,832	793,832
- Prior year adjustment	23	-	(703,607)	(703,607)
As restated		-	90,225	90,225
Restated balance at 31 December 2019		4,000,000	(1,391,202)	2,608,798
Total comprehensive income for the financial period				
Profit for the financial period		-	223,321	223,321
At 31 March 2021		4,000,000	(1,167,881)	2,832,119

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

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)**SUNTECH ENERGY SDN. BHD.**
(Incorporated in Malaysia)**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	← Group →		← Company →	
	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
Note	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	174,168	84,918	236,193	90,225
Adjustments for:				
Depreciation of property, plant and equipment	1,291,472	1,005,115	1,291,472	1,005,115
Gain on disposal of property, plant and equipment	(17,400)	-	(17,400)	-
Loss on disposal of property, plant and equipment	4,729	-	4,729	-
Gain on disposal of subsidiary	(38,530)	-	49	-
Impairment loss on other receivables	-	3,240	-	3,240
Finance costs	882,079	980,615	882,079	980,615
Finance income	15,059	-	15,059	-
Share of results of associates, net of tax	30,313	-	-	-
Operating profit before changes in working capital	2,341,890	2,073,888	2,412,181	2,079,195
Changes in working capital:				
Trade and other receivables	(844,441)	(346,584)	(844,441)	(346,584)
Contract assets	(29,312)	(29,700)	(29,312)	(29,700)
Trade and other payables	1,291,114	210,535	1,216,718	208,382
Net cash generated from operations	2,759,251	1,908,139	2,755,146	1,911,293
Income tax refunded	2,976	-	2,976	-
Interest received	(15,059)	-	(15,059)	-
Net cash from operating activities	2,747,168	1,908,139	2,743,063	1,911,293
Cash flows from investing activities				
Purchase of property, plant and equipment	(a) (450)	(10,099)	(450)	(10,099)
Proceeds from disposal of property, plant and equipment	55,829	-	55,829	-
Acquisition of a subsidiary, net of cash	-	-	-	(51)
Acquisition of a associate, net of cash acquired	(489,951)	-	(490,000)	-
Proceeds from disposal of subsidiary, net of cash disposed	(1,098)	-	2	-
Change in pledge deposit	(32,495)	(48,521)	(32,495)	(48,521)
Net cash from/(used in) investing activities	(468,165)	(58,620)	(467,114)	(58,671)

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)

	Note	← Group →		← Company →	
		1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
		RM	RM	RM	RM
Cash flows from financing activities	(b)				
Capital contribution from minority interests		-	49	-	-
Repayment of term loans		575,197	(1,129,343)	575,197	(1,129,343)
Repayment of lease liability		(192,869)	(68,535)	(192,869)	(68,535)
Net changes in amount owing to holding company		415,151	-	415,151	-
Net changes in amount owing to related parties		(1,309,087)	244,783	(1,305,933)	241,629
Interest paid		(882,079)	(980,615)	(882,079)	(980,615)
Net cash used in financing activities		(1,393,687)	(1,933,661)	(1,390,533)	(1,936,864)
Net increase in cash and cash equivalents		885,316	(84,142)	885,416	(84,242)
Cash and cash equivalents at the beginning of the financial period/year		501,158	585,300	501,058	585,300
Cash and cash equivalents at the end of the financial period/year	10	1,386,474	501,158	1,386,474	501,058

(a) Purchase of property, plant and equipment:

	Note	← Group →		← Company →	
		1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
		RM	RM	RM	RM
Purchase of property plant and equipment	5	330,636	10,099	330,636	10,099
Financed by way of lease liability arrangements		(330,186)	-	(330,186)	-
Cash payments on purchase of property, plant and equipment		450	10,099	450	10,099

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)
Registration No. 201301028089 (1057919-A)
SUNTECH ENERGY SDN. BHD.
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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (CONTINUED)**
(b) Reconciliation of liabilities arising from financing activities

	1.1.2020	Cash Flow	Effect of	31.3.2021
	RM	RM	MFRS 16	RM
			RM	
Group				
Term loans	11,248,606	575,197	-	11,823,803
Lease liabilities	2,707,117	(192,869)	330,186	2,844,434
Net changes in amount owing to holding company	-	415,151	-	415,151
Net changes in amount owing to related parties	1,759,268	(1,309,087)	-	450,181
	15,714,991	(511,608)	330,186	15,533,569
Company				
Term loans	11,248,606	575,197	-	11,823,803
Lease liabilities	2,707,117	(192,869)	330,186	2,844,434
Net changes in amount owing to holding company	-	415,151	-	415,151
Net changes in amount owing to related parties	1,756,114	(1,305,933)	-	450,181
	15,711,837	(508,454)	330,186	15,533,569
	1.1.2019	Cash Flow	Effect of	31.12.2019
	Restated	Restated	MFRS 16	Restated
	RM	RM	RM	RM
Group				
Term loans	12,377,949	(1,129,343)	-	11,248,606
Lease liabilities	2,775,652	(68,535)	-	2,707,117
Net changes in amount owing to related parties	1,514,485	244,783	-	1,759,268
	16,668,086	(953,095)	-	15,714,991
Company				
Term loans	12,377,949	(1,129,343)	-	11,248,606
Lease liabilities	2,775,652	(68,535)	-	2,707,117
Net changes in amount owing to related parties	1,514,485	241,629	-	1,756,114
	16,668,086	(956,249)	-	15,711,837

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

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor. The principal place of business of the Company is located at 01-9,9th Floor, Menara Symphony, No.5, Jln Prof Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The principal activity of the Company is engaged solar power plant consultant, developer and EPCC contractor.

There has been no significant change in the nature of this activity during the financial period.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 2 September 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Explanation of transition to MFRSs and change in accounting policy

The financial statements of the Company for the financial period ended 31 March 2021 are the first set of financial statements prepared in accordance with the MFRSs, including MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards. For periods up to and including the financial year ended 31 December 2019, the Company prepared its financial statements in accordance with the Malaysia Private Entities Reporting Standards ("MPERSs") in Malaysia.

In preparing these financial statements, the Company's opening MFRSs statements of financial position were prepared as at 1 January 2019 (the date of transition to MFRSs).

The Company has consistently applied the same accounting policies in the preparation of the financial statements of the Company for the financial period ended 31 March 2021, the comparative financial statements for the financial year ended 31 December 2019, and the opening MFRSs statements of financial position as at 1 January 2019, other than those as discussed below. The transition to the MFRSs framework does not have any significant effect on the financial statements of the Company except for those discussed below.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.2 Explanation of transition to MFRSs and change in accounting policy (continued)****(a) Transition to MFRSs****MFRS 16 Leases (“MFRS 16”)**

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 Leases and IC Int 4 Determining whether an Arrangement contains a Lease.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group and the Company have applied MFRS 16 using the full retrospective approach, as if the leases had already been effective at the commencement date of existing lease contracts.

Definition of a lease

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group and the Company has elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 January 2019. Existing lease contracts that are still effective on 1 January 2019 will be accounted for as lease contracts under MFRS 16.

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group and the Company have complied with in the current financial period, the application of this standard does not have any significant effect on the financial statements of the Group and the Company except for those as discussed below.

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SUNTECH ENERGY SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.2 Explanation of transition to MFRSs and change in accounting policy (continued)

(a) Transition to MFRSs (continued)

MFRS 16 (continued)

(i) Classification and measurement

As a lessee, the Group and the Company previously classified leases as operating or finance leases based on their assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group and to the Company.

On adoption of MFRS 16, for all their leases other than short-term and low value asset leases, the Group and the Company:

- recognised the right-of-use assets and lease liabilities in the statements of financial position;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss; and
- separated the total amount of cash paid for leases into principal and interest portions (presented within financing activities) in the statements of cash flows for the current financial period.

(ii) Short-term lease and low value assets

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

(iii) Other adjustments

In addition to the adjustments described above, other items such as deferred taxes were adjusted to retained earnings as necessary.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS, and amendments/ improvements to MFRSs that have been issued, but yet to be effective:

<u>New MFRS</u>		Effective for financial periods beginning on or after
MFRS 17	Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>		
MFRS 1	First-time Adoption of MFRSs	1 January 2022 [^] / 1 January 2023 [#]
MFRS 3	Business Combinations	1 January 2022/ 1 January 2023 [#]
MFRS 4	Insurance Contracts	1 January 2021/ 1 January 2023
MFRS 5	Non-current Assets Held for Sale and Discontinued Operation	1 January 2023 [#]
MFRS 7	Financial Instruments: Disclosures	1 January 2021/ 1 January 2023 [#]
MFRS 9	Financial Instruments	1 January 2021/ 1 January 2022 [^] / 1 January 2023 [#]
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023 [#]
MFRS 16	Leases	1 January 2021/ 1 January 2022 [^]
MFRS 17	Insurance Contracts	1 January 2023
MFRS 101	Presentation of Financial Statements	1 January 2023/ 1 January 2023 [#]
MFRS 107	Statements of Cash Flows	1 January 2023 [#]
MFRS 108	Accounting policies, Changes in Accounting Estimates and Errors	1 January 2023
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023 [#]
MFRS 119	Employee Benefits	1 January 2023 [#]
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023 [#]
MFRS 132	Financial Instruments: Presentation	1 January 2023 [#]
MFRS 136	Impairment of Assets	1 January 2023 [#]

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS and amendments/Improvements to MFRSs that have been issued, but yet to be effective (continued)

The Group and the Company have not adopted the following new MFRS, and amendments/ improvements to MFRSs that have been issued, but yet to be effective:
(continued)

		Effective for financial periods beginning on or after
<u>Amendments/Improvements to MFRSs (continued)</u>		
MFRS 137	Provisions, Contingent Liabilities and contingent Assets	1 January 2022/ 1 January 2023 [#]
MFRS 138	Intangible Assets	1 January 2023 [#]
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2021
MFRS 140	Investment Property	1 January 2023 [#]
MFRS 141	Agriculture	1 January 2022 [^]

[^] *The Annual Improvements to MFRSs 2018-2020*

[#] *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

2.3.1 The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

Annual Improvements to MFRSs 2018-2020

Annual Improvements to MFRSs 2018-2020 covers amendments to:

- MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* – simplifies the application of MFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.
- MFRS 9 *Financial Instruments* – clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.
- Illustrative Examples accompanying MFRS 16 *Leases* – deletes from Illustrative Example 13 the reimbursement relating to leasehold improvements in order to remove any potential confusion regarding the treatment of lease incentives.
- MFRS 141 *Agriculture* – removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in MFRS 141 with those in other MFRS Standards.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRS, and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Amendments to MFRS 3 Business Combinations

The amendments update MFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version which was issued by Malaysian Accounting Standards Board in April 2018.

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases

The *Interest Rate Benchmark Reform—Phase 2* amends some specific requirements in MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, with respect to issues that affect financial reporting during the reform of an interest rate benchmark.

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest rate benchmark reform, but would instead update the effective interest rate to reflect the change in the interest rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS, and amendments/Improvements to MFRSs that have been issued, but yet to be effective (continued)*****Amendments to MFRS 101 Presentation of Financial Statements***

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements. To support this amendments, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

Amendments to MFRS 108 Accounting Policies, Changes In Accounting Estimates and Errors

The amendments revise the definition of accounting estimates to clarify how an entity should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important because the changes in accounting estimates are applied prospectively to transactions, other events, or conditions from the date of that change, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to MFRS 116 Property, Plant and Equipment

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The financial statements of the Group and the Company are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial period presented in the financial statements of the Group and the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its associate. The financial statements of the associate used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the incorporation date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss 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 measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

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(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of consolidation (continued)****(a) Subsidiaries and business combination (continued)**

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associate

Associate is an entity over which the Company has significant influence, but not control, to the financial and operating policies.

Investment in associate is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Company's share of net assets of the associate.

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

When the Company ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(d) Transactions eliminated on combination

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the financial statements.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)**Registration No. 201301028089 (1057919-A)****SUNTECH ENERGY SDN. BHD.**
(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments**

Financial instruments are recognised in the statement of financial position when, and only when, the Group and the Company become party to the contract provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued).

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows:
(continued)

(i) Financial assets (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when its business models for managing those assets change.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.7(a). Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.7(a). Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(a) Subsequent measurement (continued)**

The Group and the Company categorise the financial instruments as follows:
(continued)

(i) Financial assets (continued)Debt instruments (continued)**• Fair value through profit or loss (FVPL)**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at FVPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at FVPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVPL are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Financial instruments (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows:
(continued)

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at FVPL
- Financial liabilities at amortised cost

Financial liabilities at FVPL

Financial liabilities at FVPL include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at FVPL are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at FVPL.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(b) Financial guarantee contracts**

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

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchases or sells an asset).

Trade date accounting refers to:

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

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(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Financial instruments (continued)****(d) Derecognition**

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive cash flows from the financial asset expire; or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, other than bearer plants, is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and their cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

All property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Computer and software	5
Furniture and fittings	5
Office equipment	5
Renovation	5
Motor Vehicles	5
Solar equipment	20 - 25
Right-of-use assets	5 - 21

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Property, plant and equipment (continued)

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3.4 Leases

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

(a) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The Group and the Company present right-of-use assets that do not meet the definition of property, plant and equipment in Note 5 and lease liabilities in Note 12.

Right-of-use asset

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

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If expects to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7(b).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(a) Lessee accounting (continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

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

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Leases (continued)

(a) Lessee accounting (continued)

Lease liability (continued)

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed

(b) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 3.4(a), then it classifies the sub-lease as an operating lease.

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Contract assets

Contract asset is the right to consideration for goods and services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Company's future performance). The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7(a).

3.6 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash and bank balances that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value.

3.7 Impairment of assets

(a) Impairment of financial assets and contract assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), lease receivables, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measures loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

The Group and the Company assume that the credit risk on a financial asset have increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 30 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of assets (continued)

(a) Impairment of financial assets (continued)

Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position.

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

(b) Impairment of 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 Group and the Company make an estimate of the assets' recoverable amount.

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 non-financial assets or cash-generating units ("CGUs").

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

The recoverable amount of an asset of a CGU is the higher of its fair value less costs of disposal and its value-in-use. 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 CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceeds the recoverable amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit of groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.8 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidence a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial period where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the Group and the Company contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.10 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group and the Company applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group and the Company reasonably expect that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as sales and services tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the adjusted market assessment approach.

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(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.10 Revenue and other income (continued)**

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of electricity generated from renewable energy equipment

Revenue from sale of electricity generated from renewable energy equipment is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group and the Company's performance. The revenue recognised is the amount to which the Group and the Company have a right to invoice as it corresponds directly with the value to the customer of the Company's performance that is completed to date. This revenue also includes an estimated value of the electricity delivered from the date of their last meter reading and period end.

(b) Associated services and products

Revenue from associated services and products is recognised at a point in time, if a customer receives and consumes the benefits provided by the entity's performance and if the control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of due from the date of invoices to 60 days. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

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(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.11 Income tax**

Income tax expense in profit or loss comprises current and deferred tax. Current 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.

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Fair value measurements

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

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

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

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(Incorporated in Malaysia)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Depreciation and useful lives of property, plant and equipment

As disclosed in Note 3.3(c), the Group and the Company reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Group's and the Company's property, plant and equipment are disclosed in Note 5.

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group and the Company's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit losses for trade receivable and contract assets. The provision rate depends on the number of days that a trade receivable is past due. The Group and the Company use the grouping according to the customer segments that have similar loss patterns. The criteria include geographical region, product type, customer type and rating, collateral or trade credit insurance.

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS
(CONTINUED)**

(c) Impairment of financial assets (continued)

The assessment of the correlation between historical observed default rates, forward-looking estimate and expected credit losses is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and of forecast economic over the expected lives of the financial assets and contract assets. The Company's historical credit loss experience and forecast of the economic conditions may also not be representative of customer's actual default in the future.

The information about the expected credit losses on the Company's financial assets and contract assets are disclosed in Note 20(b).

(d) Measurement of Income taxes

Significant judgement is required in determining the Company's estimation for current and deferred taxes. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expenses of the Company are disclosed in Note 19.

(e) Impairment of non-financial assets

The Group and the Company assess impairment of non-financial assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may be irrecoverable i.e. the carrying amount of the asset is more than the recoverable amount.

Recoverable amount is measured at the higher of the fair value less cost of disposal for that asset and its value-in-use. The Group and the Company use fair value less cost to sell as the recoverable amount. Fair values are arrived at using comparison method and valuation technique method to suit the assets characteristic of the Group and of the Company.

The carrying amounts of the non-financial assets are disclosed in Note 5.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT

Group and Company	Note	Solar equipment RM	Furniture and fittings RM	Renovation RM	Computer and software RM	Office equipment RM	Right-of-use assets RM	Total RM
2021 Cost								
At 1 January 2020		19,090,000	9,030	101,663	24,797	7,363	2,874,001	22,106,854
Additions		-	450	-	-	-	330,186	330,636
Disposal		-	-	-	-	(3,500)	(103,983)	(107,483)
At 31 March 2021		19,090,000	9,480	101,663	24,797	3,863	3,100,204	22,330,007
Accumulated depreciation								
At 1 January 2020		3,559,367	9,030	92,843	16,407	3,017	361,257	4,041,921
Depreciation charge for the financial period	17	1,067,000	75	4,009	3,048	875	216,465	1,291,472
Disposal		-	-	-	-	(642)	(63,683)	(64,325)
At 31 March 2021		4,626,367	9,105	96,852	19,455	3,250	514,039	5,269,068
Carrying amount								
At 1 January 2020		15,530,633	-	8,820	8,390	4,346	2,512,744	18,064,933
At 31 March 2021		14,463,633	375	4,811	5,342	613	2,586,165	17,060,939

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group and Company	Note	Solar equipment RM	Furniture and fittings RM	Renovation RM	Computer and software RM	Office equipment RM	Right-of-use asset RM	Total RM
2019 (Restated) Cost								
At 1 January 2019		19,090,000	9,030	101,663	18,198	3,863	2,874,001	22,096,755
Additions		-	-	-	6,599	3,500	-	10,099
At 31 December 2019		19,090,000	9,030	101,663	24,797	7,363	2,874,001	22,106,854
Accumulated depreciation								
At 1 January 2019		2,705,767	9,030	89,635	14,484	2,249	215,641	3,036,806
Depreciation charge for the financial year	17	853,600	-	3,208	1,923	768	145,616	1,005,115
At 31 December 2019		3,559,367	9,030	92,843	16,407	3,017	361,257	4,041,921
Carrying amount								
At 1 January 2019		16,384,233	-	12,028	3,714	1,614	2,658,360	19,059,949
At 31 December 2019		15,530,633	-	8,820	8,390	4,346	2,512,744	18,064,933

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Right-of-use assets

The Group and the Company lease rooftops to place solar equipment. The lease for rooftop generally have lease terms between 5 to 21 years.

The Group and the Company have motor vehicles and solar equipment under finance lease which is classified as right-of-use assets.

Information about leases for which the Group and the Company are lessee is presented below:

	Group and Company		
	Rooftop RM	Motor Vehicles RM	Total RM
Carrying amount			
At 1 January 2019	2,642,073	16,287	2,658,360
Additions	-	-	-
Depreciation charge for the financial year	(134,120)	(11,496)	(145,616)
At 31 December 2019	2,507,953	4,791	2,512,744
Additions	-	330,186	330,186
Depreciation charge for the financial period	(167,650)	(48,815)	(216,465)
Disposal	-	(40,300)	(40,300)
At 31 March 2021	2,340,303	245,862	2,586,165

The Group and the Company have leases that include extension options. These options are negotiated by the Company to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT IN SUBSIDIARY

	← Company →		
	31.3.2021 RM	31.12.2019 RM	1.1.2019 RM
At cost			
Unquoted shares	-	51	-

Details of the subsidiary as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest			Principal activity
		31.3.2021 %	31.12.2019 %	1.1.2019 %	
Solarcity Reit Sdn. Bhd.	Malaysia	0%	51%	0%	Provision of services related to renewable energy equipment

(a) Disposal of Solarcity Reit Sdn. Bhd.

On 6 July 2020, the Company disposed its 2% equity investment in Solarcity Reit Sdn. Bhd. to Fabulous Sunview Sdn. Bhd. for a consideration of RM2. The Company classified its remaining 49% equity interest in Solarcity Reit Sdn. Bhd. as associate given that the Company has significant influence over the financial and operating policy decisions of Solarcity Reit Sdn. Bhd..

(i) Summary of the effects of disposal of Solarcity Reit Sdn. Bhd.

	RM	RM
Recognised		
Cash consideration received		2
Fair value of retained investment treated as an associate		49
		51
Derecognised		
Fair value of identifiable net asset at disposal date:		
Cash and cash equivalents	(1,100)	
Other payables	76,549	
Non-controlling interest	(36,970)	38,479
Gain on disposal of Solarcity Reit Sdn. Bhd.		38,530

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. INVESTMENT IN SUBSIDIARY (CONTINUED)

(a) Disposal of Solarcity Reit Sdn. Bhd. (continued)

(ii) Effect of disposal on cash flows:

	RM
Consideration received in cash	2
Less: Cash and cash equivalents of subsidiary disposed	(1,100)
Net cash flows on disposal	<u>(1,098)</u>

7. INVESTMENT IN ASSOCIATE

	← Group →	
	31.3.2021	31.12.2019
	RM	RM
		1.1.2019
		RM
At cost		
Unquoted shares	-	-
Additional investment	490,000	-
	<u>490,000</u>	<u>-</u>
Share of post-acquisition loss	(30,313)	-
	<u>459,687</u>	<u>-</u>

Details of associates are follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest			Principal activity
		31.3.2021	31.12.2019	1.1.2019	
		%	%	%	
Solarcity Reit Sdn. Bhd.	Malaysia	49%	0%	0%	Provision of services related to renewable energy equipment

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. TRADE AND OTHER RECEIVABLES

	Note	Group		Company		
		31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
		RM	RM	RM	RM	RM
Trade						
Trade receivables	(a)	959,270	700	959,270	700	-
Non-trade						
Other receivables		290,404	369,490	290,404	369,490	20,214
Amount owing by holding company	(b)	429,700	-	429,700	-	-
Amount owing by related parties	(b)	131,899	-	131,899	3,154	-
Deposits		43,600	63,480	43,600	63,480	63,100
Prepayments		7,087	25,490	7,087	25,490	29,262
Less: Impairment losses for other receivables		-	(3,240)	-	(3,240)	-
		902,690	455,220	902,690	458,374	112,576
Total trade and other receivables		1,861,960	455,920	1,861,960	459,074	112,576

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Company is 30 days (31.12.2019 and 1.1.2019: 30 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

(b) Amount owing by holding company and related parties

Amount owing by holding company and related parties are unsecured, non-trade in nature, non-interest bearing and repayable on demand.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
9. CONTRACT ASSETS

	← Group →		← Company →		
	31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Contract assets relating to unbilled revenue recognised during the period/year	238,134	208,822	238,134	208,822	179,122
Total contract assets	238,134	208,822	238,134	208,822	179,122

(a) Significant changes in contract balances

	← Group →		← Company →		
	31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Increase as a result of unbilled revenue recognised during the period/year	238,134	208,822	238,134	208,822	179,122
Transfer from contract assets recognised at the beginning of the period/year to receivables	(208,822)	(179,122)	(208,822)	(179,122)	(209,767)

(b) Revenue recognised in relation to contract balances

	← Group →		← Company →		
	31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Revenue recognised from performance obligations satisfied in previous financial year/period	208,822	179,122	208,822	179,122	209,767

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CASH AND SHORT-TERM DEPOSITS

	← Group →		← Company →		
	31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Cash and bank balances	386,474	106,158	386,474	106,058	190,300
Short-term deposits	1,372,340	734,845	1,372,340	734,845	686,324
	<u>1,758,814</u>	<u>841,003</u>	<u>1,758,814</u>	<u>840,903</u>	<u>876,624</u>

For the purpose of the statement of cash flows, cash and cash equivalents comprise of the following:

	← Group →		← Company →		
	31.03.2021	31.12.2019	31.03.2021	31.12.2019	1.1.2019
	RM	RM	RM	RM	RM
Short-term deposits	1,372,340	734,845	1,372,340	734,845	686,324
Less: Pledged deposits	(372,340)	(339,845)	(372,340)	(339,845)	(291,324)
	<u>1,000,000</u>	<u>395,000</u>	<u>1,000,000</u>	<u>395,000</u>	<u>395,000</u>
Cash and bank balances	386,474	106,158	386,474	106,058	190,300
	<u>1,386,474</u>	<u>501,158</u>	<u>1,386,474</u>	<u>501,058</u>	<u>585,300</u>

11. SHARE CAPITAL

	Number of ordinary shares			← Amount →		
	31.03.2021	31.12.2019	1.1.2019	31.03.2021	31.12.2019	1.1.2019
	Unit	Unit	Unit	RM	RM	RM
Issued and fully paid up:						
At 1 January/31 December/						
31 March	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000

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 regard to the Company's residual assets.

The Company did not issue any new share or debentures during the period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND BORROWINGS

	Note	Group		Company		
		31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
		RM	RM	RM	RM	RM
Non-current:						
Term loans	(a)	10,876,284	10,694,470	10,876,284	10,694,470	11,889,848
Lease liabilities	(b)	2,751,004	2,634,300	2,751,004	2,634,300	2,706,781
		<u>13,627,288</u>	<u>13,328,770</u>	<u>13,627,288</u>	<u>13,328,770</u>	<u>14,596,629</u>
Current:						
Term loans	(a)	947,519	554,136	947,519	554,136	488,101
Lease liabilities	(b)	93,430	72,817	93,430	72,817	68,871
		<u>1,040,949</u>	<u>626,953</u>	<u>1,040,949</u>	<u>626,953</u>	<u>556,972</u>
		<u>14,668,237</u>	<u>13,955,723</u>	<u>14,668,237</u>	<u>13,955,723</u>	<u>15,153,601</u>
Total loans and borrowings:						
Term loans	(a)	11,823,803	11,248,606	11,823,803	11,248,606	12,377,949
Lease liabilities	(b)	2,844,434	2,707,117	2,844,434	2,707,117	2,775,652
		<u>14,668,237</u>	<u>13,955,723</u>	<u>14,668,237</u>	<u>13,955,723</u>	<u>15,153,601</u>

(a) Term loans

Term loan 1 of the Company of RM Nil (31.12.2019: RM5,191,498 and 1.1.2019: RM6,044,705) bears interest at Nil % (31.12.2019 and 1.1.2019: 8.30%) per annum and is repayable by monthly instalments of RM72,000 over fourteen years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Debenture creating a first ranked fixed and floating charge over the Company's assets;
- (ii) Specific Debenture over the solar equipment;
- (iii) Legal charge over the Solar Equipment (PL1) of the Company;
- (iv) Guarantee from Credit Guarantee Corporation Berhad ("CGC") of 60% of either the financing approved amount under the Facility or Guaranteed Amount under Green Technology Financing Scheme("GTFS");
- (v) Memorandum of Deposit over Sinking Fund built up by way of accumulated of 5% retention from every proceed up to RM200,000;
- (vi) Joint and several guarantee by directors of the Company; and
- (vii) Assignment over insurance policies in respect of the equipment financed.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 2 of the Company of RM Nil (31.12.2019: RM6,057,108 and 1.1.2019: RM 6,333,244) bears interest at Nil % (31.12.2019 and 1.1.2019: 8.25%) per annum and is repayable by monthly instalments of RM50,000 over fourteen years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Debenture creating a first ranked fixed and floating charge over the Company's assets;
- (ii) Specific Debenture over the solar equipment;
- (iii) Legal charge over the Solar Equipment (PL1) of the Company;
- (iv) Guarantee from CGC under GTFS of Guaranteed Amount;
- (v) Memorandum of Deposit over Sinking Fund built up by way of accumulated of 5% retention from every proceed;
- (vi) Memorandum of Deposit by a local bank of RM395,000 being 5% of Facility Amount; and
- (vii) Joint and several guarantee by directors of the Company.

Term loan 3 of the Company of RM5,180,460 (31.12.2019 and 1.1.2019: RM Nil) bears interest at 15% per annum and is repayable by monthly instalments of RM77,060 over fourteen years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Memorandum of Deposit over Sinking Fund built up by way of accumulated of 5% retention from every proceed received from Tenaga Nasional Berhad (TNB);
- (ii) Assignment over Finance Service Reserve Account ("FSRA")
- (iii) Specific Debenture over the solar equipment;
- (iv) Assent to the Deed of Assignment of Feed in Tariff ("FIT") proceeds under the Renewable Energy Power Purchase Agreement ("REPPA") between the Company and TNB;
- (v) Irrevocable Letter of Instruction ("ILI") from the Company and acknowledged by the Company as to direct credit all contract proceeds into Collection Account maintained by Bank Islam;
- (vi) Letter of Disclaimer from landlord and/or Letter of Consent from financier; and
- (vii) Joint and several guarantee by directors of the Company.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND BORROWINGS (CONTINUED)

(a) Term loans (continued)

Term loan 4 of the Company of RM5,877,069 (31.12.2019 and 1.1.2019: RM Nil) bears interest at 15% per annum and is repayable by monthly instalments of RM87,049 over fourteen years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Memorandum of Deposit over Sinking Fund built up by way of accumulated of 5% retention from every proceed received from TNB;
- (ii) Assignment over FSRA
- (iii) Specific Debenture over the solar equipment;
- (iv) Assent to the Deed of Assignment of FIT proceeds under the REPPA between the Company and TNB;
- (v) Irrevocable ILI from the Company and acknowledged by the Company as to direct credit all contract proceeds into Collection Account maintained by Bank Islam;
- (vi) Letter of Disclaimer from landlord and/or Letter of Consent from financier; and
- (vii) Joint and several guarantee by directors of the Company.

Term loan 5 of the Company of RM300,000 (31.12.2019 and 1.1.2019: RM Nil) bears interest at 9.83% per annum and is repayable by monthly instalments of RM6,718 over five years and nine months commencing from the day of first drawdown and is secured and supported as follows:

- (i) Joint and several guarantee by directors of the Company; and
- (ii) Corporate Guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) up to 80% from the financing amount portion of maximum coverage of RM240,000.

Term loan 6 of the Company of RM466,274 (31.12.2019 and 1.1.2019: RM Nil) bears interest at 12% per annum and is repayable by monthly instalments of RM9,096 over five years commencing from the day of first drawdown and is secured and supported as follows:

- (i) Joint and several guarantee by directors of the Company; and
- (ii) Guarantee by SJPP under the Perjana SME Financing – Government Guarantee Scheme-Prinhatin (“PSF – GGSP”) of up to RM400,000.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. LOANS AND BORROWINGS (CONTINUED)

(b) Lease liabilities

Future minimum lease payments under finance leases together with the present value of net minimum lease payments are as follows:

	← Group →		← Company →		
	31.03.2021	31.12.2019 Restated	31.03.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Minimum lease payments:					
Not later than one year	244,176	218,748	244,176	218,748	218,748
Later than one year but not later than five years	976,704	852,357	976,704	852,357	816,105
Later than five years	3,216,328	3,365,000	3,218,328	3,365,000	3,575,000
	<u>4,437,208</u>	<u>4,436,105</u>	<u>4,437,208</u>	<u>4,436,105</u>	<u>4,609,853</u>
Less: Future finance charges	(1,592,774)	(1,728,988)	(1,592,774)	(1,728,988)	(1,834,201)
Present value of minimum lease payments	<u>2,844,434</u>	<u>2,707,117</u>	<u>2,844,434</u>	<u>2,707,117</u>	<u>2,775,652</u>
Present value of minimum lease payment payable:					
Not later than one year	93,430	72,817	93,430	72,817	68,871
Later than one year but not later than five years	534,643	310,407	534,643	310,407	302,013
Later than five years	2,216,361	2,323,893	2,216,361	2,323,893	2,404,768
	<u>2,844,434</u>	<u>2,707,117</u>	<u>2,844,434</u>	<u>2,707,117</u>	<u>2,775,652</u>
Less: Amount due within twelve months	(93,430)	(72,817)	(93,430)	(72,817)	(68,871)
Amount due after twelve months	<u>2,751,004</u>	<u>2,634,300</u>	<u>2,751,004</u>	<u>2,634,300</u>	<u>2,706,781</u>

The maturity analysis of lease liabilities is disclosed in Note 20(b)(ii).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. TRADE AND OTHER PAYABLES

	Note	← Group →		← Company →		
		31.03.2021 RM	31.12.2019 Restated RM	31.03.2021 RM	31.12.2019 Restated RM	1.1.2019 Restated RM
Trade						
Trade payables						
-Third parties	(a)	912,069	-	912,069	-	-
-Holding company	(b)	1,500	-	1,500	-	-
		<u>913,569</u>	<u>-</u>	<u>913,569</u>	<u>-</u>	<u>-</u>
Non-trade						
Other payables		1,507,969	1,152,754	1,507,969	1,150,801	887,706
Amount owing to holding company	(b)	844,851	-	844,851	-	-
Amount owing to related parties	(b)	582,080	1,759,268	582,080	1,759,268	1,514,485
Accruals		48,150	102,369	48,150	102,369	176,882
		<u>2,983,050</u>	<u>3,014,391</u>	<u>2,983,050</u>	<u>3,012,238</u>	<u>2,559,073</u>
Total trade and other payables		<u>3,896,619</u>	<u>3,014,391</u>	<u>3,896,619</u>	<u>3,012,238</u>	<u>2,559,073</u>

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 days terms.

(b) Amount owing to holding company and related parties

Amount owing to holding company and related parties are unsecured, non-interest bearing, repayable upon demand and is expected to be settled in cash.

For explanations on the Group's and Company's liquidity risk management processes, refer to Note 20(b)(ii).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. REVENUE

	← Group →		← Company →	
	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
	RM	RM	RM	RM
At a point in time:				
Associated services and product:	4,423,876	94,700	4,423,876	94,700
Over time:				
Sale of electricity generated from renewable energy equipment	3,126,698	2,551,414	3,126,698	2,551,414
	<u>7,550,574</u>	<u>2,646,114</u>	<u>7,550,574</u>	<u>2,646,114</u>

15. OTHER INCOME

	← Group →		← Company →	
	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
	RM	RM	RM	RM
Insurance claim	10,000	5,362	10,000	5,362
Government grants	10,400	-	10,400	-
Interest income	15,059	-	15,059	-
Gain on disposal of property, plant and equipment	17,400	-	17,400	-
Gain on disposal of subsidiary	38,530	-	-	-
Miscellaneous	17,976	-	17,976	-
	<u>109,365</u>	<u>5,362</u>	<u>70,835</u>	<u>5,362</u>

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. FINANCE COSTS

	← Group →		← Company →	
	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
	RM	RM	RM	RM
Interest expense on:				
- Term loans	890,610	830,403	690,610	830,403
- Lease liabilities	191,469	150,212	191,469	150,212
	<u>882,079</u>	<u>980,615</u>	<u>882,079</u>	<u>980,615</u>

17. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged in arriving at profit before tax:

		← Group →		← Company →	
		1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated	1.1.2020 to 31.3.2021	1.1.2019 to 31.12.2019 Restated
	Note	RM	RM	RM	RM
Auditors' remuneration					
- Current year		5,000	4,800	5,000	4,800
Impairment losses on other receivables	8	-	3,240	-	3,240
Depreciation of property, plant and equipment	5	1,291,472	1,005,115	1,291,472	1,005,115
Gain on disposal of property, plant and equipment		17,400	-	17,400	-
Loss on disposal of property, plant and equipment		4,729	-	4,729	-
Employee benefits expense	18	396,217	285,597	396,217	285,597
		<u>396,217</u>	<u>285,597</u>	<u>396,217</u>	<u>285,597</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. EMPLOYEE BENEFITS EXPENSE

	← Group →		← Company →	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM
Salaries, wages, allowances and bonuses	338,420	247,600	338,420	247,600
Defined contribution plans	42,171	32,068	42,171	32,068
Other staff related expenses	15,626	5,929	15,626	5,929
	<u>396,217</u>	<u>285,597</u>	<u>396,217</u>	<u>285,597</u>

Included in employee benefits are:

Directors' remuneration:

- Salaries, allowances and bonuses	148,762	120,000	148,762	120,000
- Defined contribution plans	18,200	15,600	18,200	15,600
- Other related expenses	2,309	1,847	2,309	1,847
	<u>169,271</u>	<u>137,447</u>	<u>169,271</u>	<u>137,447</u>

19. INCOME TAX EXPENSE

The major components of income tax expense for the financial period/year ended 31 March 2021 and 31 December 2019 are as follows:

	← Group →		← Company →	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM
Statement of comprehensive income				
Current income tax:				
- Current income tax charge	12,872	-	12,872	-
Income tax expenses recognised in profit or loss	<u>12,872</u>	<u>-</u>	<u>12,872</u>	<u>-</u>

Domestic income tax is calculated at the Malaysia statutory income tax rate of 24% of the estimated assessable profit for the financial period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
19. INCOME TAX EXPENSE (CONTINUED)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and Company's tax expense are as follows:

	← Group →		← Company →	
	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM	1.1.2020 to 31.3.2021 RM	1.1.2019 to 31.12.2019 Restated RM
Profit before tax	174,168	84,918	236,193	90,225
Tax at Malaysian statutory income tax rate of 24%	41,800	20,380	56,686	21,654
Share of results of associates	7,275			
Adjustments:				
Non-deductible expenses	77,019	17,277	69,408	16,003
Utilisation of previously unrecognised tax losses and capital allowances	(113,222)	(37,857)	(113,222)	(37,657)
Income tax expense	12,872	-	12,872	-

The Company has been granted 100% pioneer tax exemption on the statutory income for Business Segment in Nilai for 10 years beginning year of assessment 30 January 2015 in respect of the approved business by the Malaysian Investment Development Authority under the Income Tax (Exemption) (No.11) Order 2006 [P.U. (A) 112/2006] of the Income Tax Act, 1967.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. INCOME TAX EXPENSE (CONTINUED)

Unrecognised deferred tax assets

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

	← Group →		← Company →		
	31.3.2021	31.12.2019 Restated	31.3.2021	31.12.2019 Restated	1.1.2019 Restated
	RM	RM	RM	RM	RM
Temporary difference arising from property, plant and equipment	(13,081,270)	(12,359,234)	(13,081,270)	(12,359,234)	(11,410,957)
Lease liabilities	265,317	179,423	265,317	179,423	106,793
Unused tax losses	1,944,047	2,326,635	1,944,047	2,326,635	2,528,154
Unabsorbed capital allowance	11,031,346	10,484,376	11,031,346	10,484,376	9,564,113
	159,440	631,200	159,440	631,200	788,103

The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to Section 11 of the Act 812, special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 7 years consecutive years of assessment (i.e., from year of assessments 2019 to 2025).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
At 31 March 2021		
Financial assets		
Group		
Trade and other receivables, less prepayment	1,854,873	1,854,873
Cash and short-term deposits	1,758,814	1,758,814
	<u>3,613,687</u>	<u>3,613,687</u>
Company		
Trade and other receivables, less prepayment	1,854,873	1,854,873
Cash and short-term deposits	1,758,814	1,758,814
	<u>3,613,687</u>	<u>3,613,687</u>
Financial liabilities		
Group		
Loans and borrowings	(14,668,237)	(14,668,237)
Trade and other payables	(3,896,619)	(3,896,619)
	<u>(18,564,856)</u>	<u>(18,564,856)</u>
Company		
Loans and borrowings	(14,668,237)	(14,668,237)
Trade and other payables	(3,896,619)	(3,896,619)
	<u>(18,564,856)</u>	<u>(18,564,856)</u>

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

*Registration No. 201301028089 (1057919-A)*SUNTECH ENERGY SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS

(b) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM	Amortised cost RM
At 31 December 2019		
Financial assets		
Group		
Trade and other receivables, less prepayment	430,430	430,430
Cash and short-term deposits	841,003	841,003
	<u>1,271,433</u>	<u>1,271,433</u>
Company		
Trade and other receivables, less prepayment	433,584	433,584
Cash and short-term deposits	840,903	840,903
	<u>1,274,487</u>	<u>1,274,487</u>
Financial liabilities		
Group		
Loans and borrowings	(13,955,723)	(13,955,723)
Trade and other payables	(3,014,391)	(3,014,391)
	<u>(16,970,114)</u>	<u>(16,970,114)</u>
Company		
Loans and borrowings	(13,955,723)	(13,955,723)
Trade and other payables	(3,012,238)	(3,012,238)
	<u>(16,967,961)</u>	<u>(16,967,961)</u>
At 1 January 2019		
Financial assets		
Company		
Trade and other receivables, less prepayment	83,314	83,314
Cash and short-term deposits	876,624	876,624
	<u>959,938</u>	<u>959,938</u>
Financial liabilities		
Company		
Loans and borrowings	(15,153,601)	(15,153,601)
Trade and other payables	(2,559,073)	(2,559,073)
	<u>(17,712,674)</u>	<u>(17,712,674)</u>

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for its shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Company's senior management.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from its operating activities (primarily trade and other receivables) and from its financing activities, including deposits with banks and financial institutions. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Trade receivables contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by their carrying amounts in the statement of financial position.

Credit risk concentration profile

The Group and the Company have no significant concentration of credit risk from its receivables and contract assets. The Group and the Company minimises credit risk by requiring collateral and/or dealing with credit worthy counterparties.

The Group and the Company applies the simplified approach to providing for expected credit losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit losses also incorporate forward looking information.

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH FPE 31 MARCH 2021 (CONT'D)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile (continued)

The Company determines the concentration of credit risk by monitoring its trade receivable.

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets using a provision matrix are as follows:

	Contract assets RM	Current RM	Trade receivables					Total RM
			1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	>120 days past due RM	
Group and Company								
31 March 2021								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	238,134	959,270	-	-	-	-	-	959,270
Impairment losses	-	-	-	-	-	-	-	-
31 December 2019								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	208,822	700	-	-	-	-	-	700
Impairment losses	-	-	-	-	-	-	-	-
1 January 2019								
Expected credit loss rate	0%	0%	0%	0%	0%	0%	0%	0%
Gross carrying amount at default	179,122	-	-	-	-	-	-	-
Impairment losses	-	-	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

For other financial assets (including investment securities, cash and cash equivalents and derivatives), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company considers the probability of default upon initial recognition of asset and whether there have been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the borrower
- significant increases in credit risk on other financial instruments of the same borrower
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and the Company and changes in the operating results of the borrower

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**20. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (continued)****(i) Credit risk (continued)****Other receivables and other financial assets (continued)**

Intercompany loans between related entities are repayable on demand. For loans that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the loan is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the loan is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany loan.

Refer to Note 3.7(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

As at the end of the reporting date, the Company did not recognise any loss allowance for impairment for other receivables and other financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and loan and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintains sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group's and the Company's treasury department also ensures that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

Group	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one and five years RM	More than five years RM	
31 March 2021					
Trade and other payables	3,896,619	3,896,619	-	-	3,896,619
Term loans	11,823,803	2,159,083	8,599,927	16,726,242	27,485,252
Lease liabilities	2,844,434	244,176	976,704	3,216,328	4,437,208
	18,564,856	6,299,878	9,576,631	19,942,570	35,819,079
31 December 2019					
Other payables	3,014,391	3,014,391	-	-	3,014,391
Term loans	11,248,606	1,464,000	5,856,000	6,136,000	13,456,000
Lease liabilities	2,707,117	218,748	852,357	3,365,000	4,436,105
	16,970,114	4,697,139	6,708,357	9,501,000	20,906,496

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Company	Carrying amount RM	Contractual cash flows			Total RM
		On demand or within one year RM	Between one and five years RM	More than five years RM	
31 March 2021					
Trade and other payables	3,896,619	3,896,619	-	-	3,896,619
Term loans	11,823,803	2,159,083	8,599,927	16,726,242	27,485,252
Lease liabilities	2,844,434	244,176	976,704	3,216,328	4,437,208
	18,564,856	6,299,878	9,576,631	19,942,570	35,819,079
31 December 2019					
Other payables	3,012,238	3,012,238	-	-	3,012,238
Term loans	11,248,606	1,464,000	5,856,000	6,136,000	13,456,000
Lease liabilities	2,707,117	218,748	852,357	3,366,000	4,436,105
	16,967,961	4,694,986	6,708,357	9,501,000	20,904,343
1 January 2019					
Other payables	2,559,073	2,559,073	-	-	2,559,073
Term loans	12,377,949	1,464,000	5,856,000	7,600,000	14,920,000
Lease liabilities	2,775,652	218,748	816,105	3,575,000	4,609,853
	17,712,674	4,241,821	6,672,105	11,175,000	22,086,926

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial period/year.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (continued)

(iii) Interest rate risk (continued)

	Carrying amount RM	Change in basis point	Effect on profit and equity for the financial period/year RM
Group and Company			
31 March 2021			
Term loans	11,823,803	+ 50	(44,930)
		- 50	44,930
31 December 2019			
Term loans	11,248,606	+ 50	(42,745)
		- 50	42,745
1 January 2019			
Term loans	12,377,949	+ 50	(47,036)
		- 50	47,036

(c) Fair value measurement

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

There have been no transfers between Level 1, Level 2 and Level 3 during the financial years.

Carrying amount RM	Fair value of financial instruments not carried at fair value			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group and Company				
31 March 2021				
Financial liabilities				
Term loans	10,876,284	-	38,820,891	38,820,891
31 December 2019				
Financial liabilities				
Term loans	10,694,470	-	16,414,703	16,414,703
1 January 2019				
Financial liabilities				
Term loans	11,889,848	-	18,585,774	18,585,774

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholder value. The Group and the Company manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial year/period ended 1 January 2019, 31 December 2019 and 31 March 2021.

The Group and the Company monitors capital using gearing ratio. The gearing ratio is calculated as total interests bearing debts divided by total equity. The gearing ratio as at 31 March 2021, 31 December 2019 and 1 January 2019 are as follows:

	Note	← Group →		← Company →		
		31.03.2021 RM	31.12.2019 RM	31.03.2021 RM	31.12.2019 RM	1.1.2019 RM
Loan and borrowings	12	14,668,237	13,955,723	14,668,237	13,955,723	15,153,601
Total equity		2,801,806	2,603,540	2,832,119	2,608,798	2,518,573
Net gearing ratio (times)		5.24	5.36	5.18	5.35	6.02

There were no changes in the Company's approach to capital management during the financial years under review.

The Group and the Company are not subject to externally imposed capital requirement.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

- (a) On 24 March 2021, Fabulous Sunview Sdn. Bhd. ("FSSB") acquired 4,000,000 unit of ordinary shares of RM1 each representing 100% equity interest in the Company for a total consideration of RM15,000,000 arrived based on valuation report. As a result, the Company became a subsidiary of FSSB.
- (b) **Coronavirus outbreak**

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The Covid-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and markets in which the Company operates.

The Group and the Company have performed assessments on the overall impact of the situation on the Group's and the Company's operations and financial implications, including the recoverability of the carrying amount of assets and subsequent measurement of assets and liabilities, and concluded that there is no material adverse effects on the financial statement for the financial period ended 31 March 2021.

Given the fluidity of the situation, the Group and the Company will continuously monitor the impact of COVID-19 and take appropriate and timely measures to minimize the impact of the outbreaks on the Group's and the Company's operations.

23. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURE

- (a) The financial statements for the Group and the Company have been prepared for a financial period of fifteen (15) months ended 31 March 2021. The comparative is for twelve (12) months ended 31 December 2019 with a transition date of 1 January 2019.
- (b) The prior year adjustments were in relation the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years:
- (i) Reclassification of accounts;
 - (ii) Overstatement or understatement of revenue;
 - (iii) Overstatement or understatement of cost of sales;
 - (iv) Overstatement or understatement of taxation or deferred tax liabilities;
 - (v) Adoption of MFRS 16;
 - (vi) Overstatement or understatement of expenses; and
 - (vii) Overstatement or understatement of non-controlling interest.

As a result of the prior year adjustments, corresponding adjustments have been made to the statements of changes in equity and statements of cash flows

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURE

(b) The prior year adjustments were in relation to the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years: (continued)

Group	As previously reported RM	(i) RM	(ii) RM	(iii) RM	(iv) RM	(v) RM	(vi) RM	(vii) RM	As restated RM
At 31 December 2019									
<u>Statement of financial position</u>									
Property, plant and equipment	16,075,960	-	-	-	2,512,744	(523,771)	-	-	18,064,933
Trade and other receivables	1,637,348	(734,845)	(457,063)	13,721	-	(3,241)	-	-	455,920
Contract assets	-	-	208,822	-	-	-	-	-	208,822
Cash and short-term deposits	106,158	734,845	-	-	-	-	-	-	841,003
Accumulated losses	419,918	-	248,242	(13,721)	-	174,633	567,437	(2,600)	1,393,909
Non-controlling interest	(49)	-	-	-	-	-	-	2,600	2,551
Loan and borrowings (non-current)	(10,706,347)	64,954	-	-	(2,687,377)	-	-	-	(13,328,770)
Trade and other payables	(2,973,966)	-	-	-	-	(40,425)	-	-	(3,014,391)
Loan and borrowings (current)	(561,999)	(64,954)	-	-	-	-	-	-	(626,953)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURE

(b) The prior year adjustments were in relation to the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years: (continued)

Group	As previously reported RM	(i) RM	(ii) RM	(iii) RM	(iv) RM	(v) RM	(vi) RM	As
								restated RM
At 31 December 2019								
<u>Statement of comprehensive income</u>								
Revenue	2,616,414	-	29,700	-	-	-	-	2,646,114
Cost of sales	(301,341)	(865,097)	-	(1,782)	-	75,880	-	(1,092,340)
Administrative expenses	(1,212,025)	865,097	-	-	-	-	(69,371)	(416,299)
Finance costs	(887,004)	-	-	-	-	(148,510)	54,899	(980,615)
Income tax expense	644,423	-	-	-	(644,423)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURE

(b) The prior year adjustments were in relation the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years: (continued)

Company	As previously reported RM	(i) RM	(ii) RM	(iv) RM	(v) RM	(vi) RM	As restated RM
At 31 December 2019							
Statement of financial position							
Property, plant and equipment	16,075,960	-	-	-	2,512,744	(523,771)	18,064,933
Trade and other receivables	1,640,502	(734,845)	13,721	-	-	(3,241)	459,074
Contract assets	-	-	-	-	-	-	208,822
Cash and short-term deposits	106,058	734,845	-	-	-	-	840,903
Accumulated losses	414,611	-	(13,721)	-	174,633	567,437	1,391,202
Loan and borrowings (non-current)	(10,706,347)	248,242	-	-	(2,687,377)	-	(13,328,770)
Trade and other payables	(2,971,813)	64,954	-	-	-	(40,425)	(3,012,238)
Loan and borrowings (current)	(561,999)	(64,954)	-	-	-	-	(626,953)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURE

(b) The prior year adjustments were in relation to the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years: (continued)

Company	As previously reported RM	(i) RM	(ii) RM	(iii) RM	(iv) RM	(v) RM	(vi) RM	As restated RM
At 31 December 2019								
<u>Statement of comprehensive income</u>								
Revenue	2,616,414	-	-	-	-	-	-	2,616,114
Cost of sales	(301,341)	(865,097)	-	(1,782)	-	75,880	-	(1,092,340)
Administrative expenses	(1,206,718)	865,097	-	-	-	-	(69,371)	(410,992)
Finance costs	(887,004)	-	-	-	-	(148,510)	54,899	(980,615)
Income tax expense	644,423	-	-	-	(644,423)	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. PRIOR YEAR ADJUSTMENT AND COMPARATIVE FIGURE (CONTINUED)

(b) The prior year adjustments were in relation the following retrospective changes in accounting policies, adoption of new accounting standards and fundamental errors made in the prior financial years: (continued)

Company	As previously reported RM	(i) RM	(ii) RM	(iii) RM	(iv) RM	(v) RM	(vi) RM	As restated RM
At 1 January 2019								
Statement of financial position								
Property, plant and equipment	16,870,726	-	-	-	-	2,646,864	(457,641)	19,059,949
Trade and other receivables	1,240,460	(686,323)	(457,064)	15,503	-	-	-	112,576
Cash and short-term deposits	190,300	686,323	-	-	-	-	1	876,624
Contract assets	-	-	179,122	-	-	-	-	179,122
Accumulated losses	1,208,443	-	277,942	(15,503)	(644,423)	102,003	552,965	1,481,427
Loan and borrowings (non-current)	(11,909,253)	61,490	-	-	-	(2,748,866)	-	(14,596,629)
Other payables	(2,463,748)	-	-	-	-	(1)	(95,324)	(2,559,073)
Loan and borrowings (current)	(495,482)	(61,490)	-	-	-	-	-	(556,972)
Deferred tax liabilities	(644,423)	-	-	-	644,423	-	-	-

**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

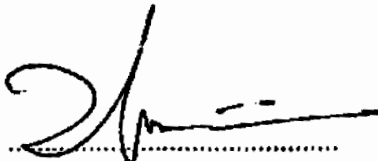
STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act 2016)

We, **NG CHEE YEE** and **KHOO KAH KHENG**, being the directors of **SUNTECH ENERGY SDN. BHD.**, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of its financial performance and cash flows for the financial period then ended.

Signed in accordance with a resolution of the directors:



.....
NG CHEE YEE
Director



.....
KHOO KAH KHENG
Director

Kuala Lumpur

Date: 2 September 2021


**APPENDIX D – AUDITED FINANCIAL STATEMENTS OF SUNTECH ENERGY FOR THE 15-MONTH
FPE 31 MARCH 2021 (CONT'D)**

Registration No. 201301028089 (1057919-A)

SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)

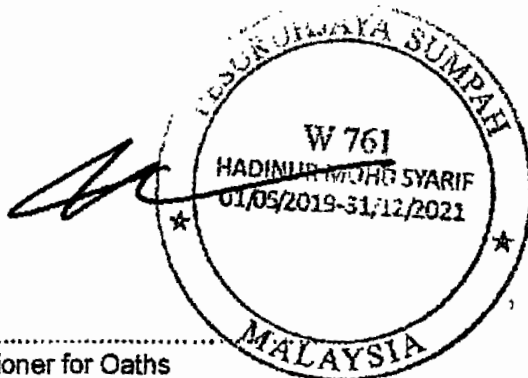
STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act 2016)

I, **NG CHEE YEE**, being the director primarily responsible for the financial management of **SUNTECH ENERGY SDN. BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements 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.


.....
NG CHEE YEE

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 2 September 2021.

Before me,



.....
Commissioner for Oaths

CHAMBERS TWENTY FIVE
NO 25, JALAN TUNGKU, BUKIT TUNKU
50480 KUALA LUMPUR



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Registration No. 201301028089 (1057919-A)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNTECH ENERGY SDN. BHD.**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Suntech Energy Sdn. Bhd., which comprise the statement of financial position as at 31 March 2021 of the Group and the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 76.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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



Registration No. 201301028089 (1057919-A)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNTECH ENERGY SDN. BHD.
(Incorporated in Malaysia)**

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the 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 Directors' Report 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 Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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.

The directors of the Company are responsible for overseeing the Company's financial reporting process.

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.



Registration No. 201301028089 (1057919-A)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNTECH ENERGY SDN. BHD.**
(Incorporated in Malaysia)

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 statement of the Group. We are responsible for the direction, supervision and performance of the group audit. We maintain 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.



Registration No. 201301028089 (1057919-A)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SUNTECH ENERGY SDN. BHD.**
(Incorporated in Malaysia)

Other Matters

1. As stated in Note 2 to the financial statements, Suntech Energy Sdn. Bhd. adopted the Malaysian Financial Reporting Standards on 1 January 2020 with a transition date of 1 January 2019. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2019 and 1 January 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 December 2019 and its related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and of the Company for the financial period ended 31 March 2021 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2020 do not contain misstatements that materially affect the financial position as at 31 March 2021 and the financial performance and cash flows for the financial period then ended.
2. The financial statements of the Group and of the Company for the financial year ended 31 December 2019 were audited by another firm of chartered accountants whose report dated 2 September 2020 expressed an unmodified opinion on those financial statements.
3. 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 contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Paul Tan Hong
No. 03459/11/2021 J
Chartered Accountant

Kuala Lumpur

Date: 2 September 2021