



TRIVE PROPERTY GROUP BERHAD

Registration No: 200401029337 (667845-M)



ANNUAL REPORT 2021



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ABBREVIATIONS

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

“AGM”	: Annual General Meeting
“Annual Report”	: The Annual Report of TRIVE for the financial year ended 31 July 2021
“Board” or “Directors”	: The Board of Directors of Trive
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“Company” or “TRIVE”	: Trive Property Group Berhad
“CMSA”	: The Capital Market and Services Act 2007
“ESOS”	: Employees Share Option Scheme
“EGM”	: Extraordinary General Meeting
“FY2019”	: Previous financial year ended 31 July 2020
“FY2020”	: Current financial year ended 31 July 2021
“Group” or “TRIVE Group”	: Collectively, ETI Tech (M) Sdn Bhd, Proper Methods Sdn Bhd, Pakadiri Sdn Bhd, Trive Property Sdn Bhd, ETI Tech International Sdn Bhd, ETI Tech Homes Sdn Bhd, Daima Fujing New Energy Technology Sdn Bhd and Avenue Escapade Sdn Bhd, the subsidiaries of TRIVE
“Main LR”	: Main Market Listing Requirements of Bursa Securities
“MCCG”	: Malaysian Code on Corporate Governance
“MD&A”	: Management Discussion And Analysis

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Haji Sohaimi Bin Shahadan

Chairman/Independent Non-Executive Director

Dato' Kua Khai Shyuan

Executive Director

Choong Lee Aun

Executive Director

Kang Teik Yih

Independent Non-Executive Director

Yong Man Chai

Non-Independent Non-Executive Director

Chen Chee Peng

Independent Non-Executive Director

Doris Wong Sing Ee

Non-Independent Non-Executive Director

AUDIT COMMITTEE

Kang Teik Yih

Chairman/Independent Non-Executive

Chen Chee Peng

Member/Independent Non-Executive

Doris Wong Sing Ee

Member/Non-Independent Non-Executive

RISK MANAGEMENT COMMITTEE

Chen Chee Peng

Chairman/Independent Non-Executive

Doris Wong Sing Ee

Member/Non-Independent Non-Executive

REGISTERED OFFICE

51-21-A, Menara BHL Bank
Jalan Sultan Ahmad Shah,
10050 Penang
Tel No. 604-2108833
Fax No. 604-2108831

REMUNERATION COMMITTEE

Chen Chee Peng

Chairman/Independent Non-Executive

Kang Teik Yih

Member/Independent Non-Executive

Doris Wong Sing Ee

Member/Non-Independent Non-Executive

ESOS COMMITTEE

Dato' Haji Sohaimi Bin Shahadan

Chairman/Independent Non-Executive

Dato' Kua Khai Shyuan

Member/Executive Director

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Tel No. 603 - 2084 9000
Fax No. 603 - 2094 9940

COMPANY SECRETARIES

Lee Peng Loon

(MACS 01258)
SSM PC NO. 201908002340

P'ng Chiew Keem

(MAICSA 7026443)
SSM PC NO. 201908002334

STOCK EXCHANGE LISTING

Main Market of Bursa Securities

Stock Name : TRIVE

Stock Code : 0118

NOMINATING COMMITTEE

Chen Chee Pen

Chairman/Independent Non-Executive

Kang Teik Yih

Member/Independent Non-Executive

Doris Wong Sing Ee

Member/Non-Independent Non-Executive

EXTERNAL AUDITORS

ChengCo PLT

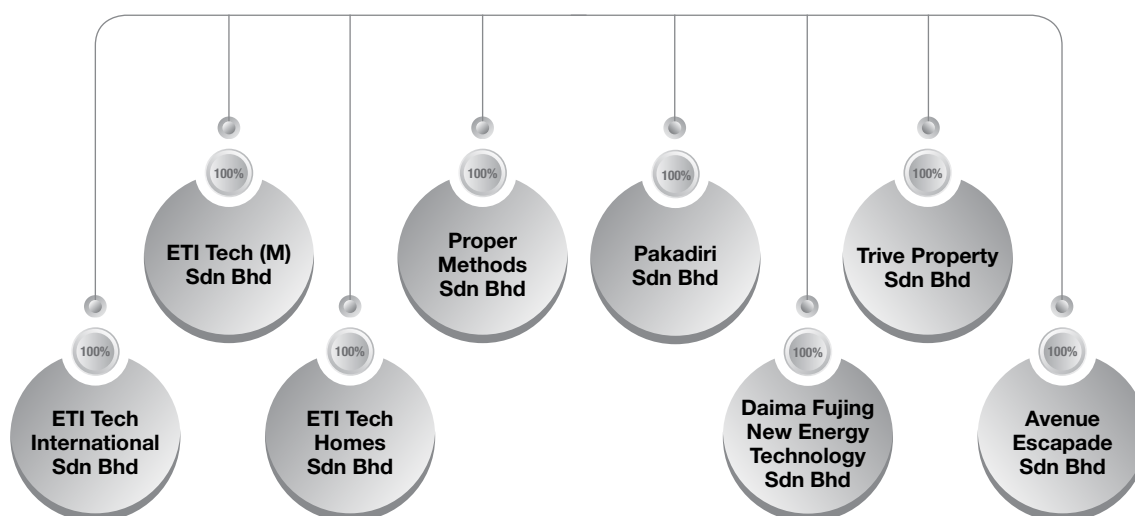
201806002622
(LLP0017004-LCA) & AF0886
No. 8-2 & 10-2, Jalan 2/114
Kuchai Business Centre
Off Jalan Klang Lama
58200 Kuala Lumpur
Tel No. 603-79848988
Fax No. 603-79844402

CORPORATE STRUCTURE



TRIVE PROPERTY GROUP BERHAD

Registration No. 200401029337 (667845-M)



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

Name	Date of Incorporation	Place of Incorporation	Principal activities
ETI Tech (M) Sdn Bhd	30.07.2002	Malaysia	Trading, design and marketing of battery management system for rechargeable energy storage solutions
Proper Methods Sdn Bhd	11.11.2013	Malaysia	Property development, construction and property investment sectors
Pakadiri Sdn Bhd	12.03.1986	Malaysia	Housing Developer
Trive Property Sdn Bhd	08.06.2015	Malaysia	Dormant
ETI Tech International Sdn Bhd	14.03. 2006	Malaysia	Dormant
ETI Tech Homes Sdn Bhd	03.01.2012	Malaysia	Dormant
Daima Fujing New Energy Technology Sdn Bhd	19.10.2015	Malaysia	Dormant
Avenue Escapade Sdn Bhd	12.02.2015	Malaysia	Investment Holding

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 15th Annual General Meeting (AGM) of Trive Property Group Berhad will be held virtually through live streaming and online participation and voting using Remote Participation and Voting (RPV) facilities from the Broadcast Venue at Sanichi Tower, Level 7, Tower 11, Avenue 5, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 27 January 2022 at 11.00 a.m. for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 July 2021 together with the Reports of Directors and Auditors thereon. **Please refer to Note 6**
2. To re-elect Dato' Kua Khai Shyuan, a Director who retires by rotation in accordance with Article 112 of the Company's Constitution and who, being eligible, offers himself for re-election. **Ordinary Resolution 1**
3. To re-elect Dato' Haji Sohaimi bin Shahadan, a Director who retires by rotation in accordance with Article 112 of the Company's Constitution and who, being eligible, offers himself for re-election. **Ordinary Resolution 2**
4. To re-elect Choong Lee Aun, a Director who retires in accordance with Article 119 of the Company's Constitution and who, being eligible, offers himself for re-election. **Ordinary Resolution 3**
5. To re-elect Yong Man Chai, a Director who retires in accordance with Article 119 of the Company's Constitution and who, being eligible, offers himself for re-election. **Ordinary Resolution 4**
6. To approve the payment of Directors' Fees for the financial year ending 31 July 2022. **Ordinary Resolution 5**
7. To approve the payment of Directors' Benefits up to an amount not exceeding RM30,000/- from the 15th AGM until the conclusion of the 16th AGM of the Company. **Ordinary Resolution 6**
8. To re-appoint Messrs. ChengCo PLT as auditors of the Company to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 7**

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business

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

9. AUTHORITY TO ALLOT AND ISSUE NEW SHARES

Ordinary Resolution 8

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and subject always to the approval of the relevant authorities, the Directors be and are hereby authorised to allot and issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors may deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company.

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

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

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

FURTHER NOTICE IS HEREBY GIVEN THAT only a depositor whose name appears on the Record of Depositors as at 19 January 2022 shall be entitled to attend and vote at the forthcoming 15th AGM or appoint proxies to attend and vote on his/her behalf.

By Order of the Board,

LEE PENG LOON (MACS 01258)
SSM PC NO. 201908002340

P’NG CHIEW KEEM (MAICSA 7026443)
SSM PC NO. 201908002334
Secretaries

Date: 30 November 2021
Penang

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES ON APPOINTMENT OF PROXY

1. A proxy may but need not be a member of the Company.
2. For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll.
3. A member shall be entitled to appoint of up to a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Exempt Authorised Nominee") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where a member is an Exempt Authorised Nominee, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
5. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.

EXPLANATORY NOTES ON ORDINARY BUSINESS

6. The Agenda 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require the shareholders' approval for the Audited Financial Statements. Hence, the Agenda 1 is not put forward for voting.
7. The Ordinary Resolutions 5 and 6, if passed, will enable the Company to pay fees and other benefits to the Directors of the Company in accordance with Section 230(1) of the Companies Act 2016.

EXPLANATORY NOTES ON SPECIAL BUSINESS

8. The Ordinary Resolution 8, if passed, will enable the Directors to allot and issue shares in the Company up to an amount not exceeding 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider will be in the best interest of the Company. This authority, unless revoked or varied by the shareholders of the Company in a general meeting will expire at the conclusion of the next AGM.

The purpose of this general mandate is for possible fund-raising exercises including but not limited to the placement of shares for purpose of funding of working capital, capital expenditures, settlement of trade and non-trade creditors or strategic investments.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF AGM

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

ELECTION OF DIRECTORS

- 1) No individuals are standing for election as Directors at the forthcoming 15th AGM of the Company.
- 2) The profile of the Directors who are standing for re-election as in Agenda 2, 3, 4 and 5 of the Notice of the 15th AGM of the Company are set out in the Directors' Profile section of this Annual Report.
- 3) The details of the directors' interests in the securities of the Company as at 16 November 2021 are set out in the statistics of shareholders section of the Annual Report 2021 issued on 30 November 2021.

GENERAL MANDATE FOR ISSUANCE OF SHARES

The Resolution 8 tabled under Special Business as per the Notice of the 15th AGM of the Company dated 30 November 2021 is a renewal of general mandate granted by shareholders of the Company at the last AGM held on 13 January 2021.

The purpose of this general mandate is for possible fund-raising exercises including but not limited to the placement of shares for purpose of funding of working capital, capital expenditures, settlement of trade and non-trade creditors or strategic investments.

As at the date of this notice, the Directors have not issued any shares pursuant to the general mandate granted at the last Annual General Meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

This Statement contains the MD&A of the performance of the Group for FY2021 and should be read in conjunction with the Audited Financial Statements of the Company for FY2021 as set out in the ensuing sections of this Annual Report.

ECONOMIC OVERVIEW

The Covid-19 pandemic has had a negative impact on the global economy since its outbreak in early 2020. Likewise, the pandemic also had the adverse impact to the economy of Malaysia. Since the first lockdown in March 2020, the Government had implemented various phases of movement control order (MCO) to curb the spread of Covid-19 pandemic and this had resulted to Malaysia recorded a negative growth in year 2020. The Gross Domestic Product (GDP) of Malaysia contracted 3.4% in the fourth quarter of year 2020 as compared to 2.6% in preceding quarter of year 2020. Overall, Malaysia's GDP declined by 5.6% in year 2020 as compared to a positive growth of 4.3% in year 2019.

For the first half of year 2021, the Malaysia's economy grew in line with the firming domestic activities as well as improvement in foreign demand. Unfortunately, the resurgence in Covid-19 cases in May 2021 had led to a nationwide lockdown in June-July 2021 to curb the spread of the Covid-19 pandemic. The tightening of containment measures and standard operating procedures (SOP) had pushed the economy back into recession.

FINANCIAL REVIEW

	Audited 31.07.2021 RM'000	Audited 31.07.2020 RM'000
Revenue	9,845	4,388
Operating Loss	(56,094)	(5,965)
Loss Before Tax	(58,832)	(5,463)

For FY2021, the Group registered a total revenue of RM9.85 million, an increase of RM5.46 million (54.43%) as compared to RM4.39 million in FY2020. The Group saw some increase in demand for its solar products despite the challenging business environment. Revenue from solar division for FY2021 increased to RM5.46 million as compared to RM4.39 million in FY2020. Contrary the revenue from the Property division remained flat at RM1.56 million for FY2021 versus FY2020.

The Group recorded a higher operating loss of RM56.09 million for the year under review as compared to RM5.96 million recorded in preceding financial year. The operation loss was mainly due to impairment loss of RM42.30 million and fair value loss for investment in quoted shares of RM5.90 million. From the aforementioned, the Group had then closed FY2021 at a higher Loss Before Taxation of RM58.83 million as compared to RM5.46 million suffered in preceding financial year.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

The basic loss per share in FY2021 was 2.15 Sen which was higher than the loss per share of 0.13 Sen in FY2020 as a result of more shares were issued by the Company through the rights issue and placement of shares exercises.

	Audited 31.07.2021 RM'000	Audited 31.07.2020 RM'000
Non-current assets	70,203	82,961
Current assets	43,948	46,052
Non-current liabilities	11	47,947
Current liabilities	16,690	14,002
Cash and Cash Equivalents	27,969	6,148

As at 31 July 2021, the Group's non-current assets was at RM70.20 million, a reduction of RM12.76 million as compared to RM82.96 million as at last financial year end due to impairment loss on goodwill. On the other hand, the current assets of the Group decreased by RM2.10 million to RM43.95 million mainly due to higher revenue and bank balances which was partially set-off against repayment of bank borrowings of RM47.95 million. As at 31 July 2021, the Group had zero long term borrowings.

The Group's current liabilities as at 31 July 2021 had marginally increased to RM16.69 million, RM2.69 million higher than the current liabilities as at 31 July 2020 mainly due to increase in trade payables.

As at 31 July 2021, the Group's cash and cash equivalents stood at RM27.97 million as compared to RM6.15 million in FY2020. The net assets per share of the Group as at 31 July 2021 stood at RM0.09 versus RM0.02 as at 31 July 2020.

MANAGING RISKS

Business sustainability is the main focus of the Group's efforts to manage risks and chart a path forward. During FY2021, the Group faced multiple risks from its principal business in trading of solar panels and related products, as well as in property development & construction segment.

The solar segment has been experiencing inconsistent margins whilst the overall property segment is adversely affected due to oversupply and unfavourable property market condition. The launch of the Group's project comprising of mixed developments of residential, commercial, infrastructure, roads, amenities, services and facilities in Kertih, Kemaman Trengganu had been temporarily on hold.

As part of the Company's effort to improve its financial performance, TRIVE completed the acquisition of the remaining 40% equity interest in Avenue Escapade Sdn Bhd during the financial year under review thus giving the Group the full autonomy as to the future direction of Avenue Escapade Sdn Bhd and also solidifies the Group in planning the asset enhancement initiatives of Persoft Tower, a 19-storey commercial office building with Multimedia Super Corridor Status owned by Avenue Escapade Sdn Bhd. The aforesaid investment is expected to benefit the Group due to its strategic location at Persiaran Tropicana, Petaling Jaya and convenient accessibility to major highways. Further, the new Tropicana LRT 3 station that is currently under construction is located nearby the building and this would provide another transportation avenue to Persoft Tower in near future.

The Covid-19 pandemic and unprecedented restrictions imposed in critical stages of the pandemic to contain the spread of Covid-19 had disrupted business activities across various industries. Like many others, TRIVE also faced similar challenges arising from the pandemic. With the speed up in mass vaccination programme in Malaysia and the introduction of the National Recovery Plan (NRP) in June 2021, TRIVE expects the business activities to improve gradually in foreseeable future.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

PROSPECTS & OUTLOOK

The outlook for 2022 remains uncertain with the Covid-19 cases continuing in Malaysia as well in many other countries due to new Covid-19 variants and the roll-out of booster vaccines is facing challenges.

Going forward, the Group intends to continue its plans in upgrading and refurbishment of Persoft Tower to improve competitiveness and attractiveness of its office spaces when compared with other office buildings in the surrounding area. The demand of office spaces is expected to grow in near future considering Malaysia has set to move from a pandemic to an endemic state of Covid-19.

Besides, the Group also sees potential demands in solar products globally and hopes to grow its solar division with existing strategies and competitive cost structure, and to assess other growth potential and opportunities towards improving the Group's earnings and shareholders value.

DIVIDEND

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

APPRECIATION

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

For and on behalf of the Executive Management,

DATO' KUA KHAI SHYUAN
Executive Director

DIRECTORS' PROFILE

DATO' HAJI SOHAIMI BIN SHAHADAN JP, DIMP, ADK

Independent Non-Executive Chairman

Malaysian

Male

Aged 52

Dato' Haji Sohaimi Bin Shahadan was appointed to the Board of TRIVE on 09 February 2018. He is the Chairman of Board and the Chairman of the Company's ESOS Committee.

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

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

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

MARA Berhad (PMB), an investment entity for Majlis Amanah Rakyat (MARA) and the former Chairman of Kraftangan Malaysia from 2011 to 2014.

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

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

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during FY2021.

DIRECTORS' PROFILE (CONT'D)

DATO' KUA KHAI SHYUAN

Executive Director

Malaysian

Male

Aged 37

Dato' Kua Khai Shyuan was appointed to the Board of TRIVE on 02 October 2015. He is a member of the Company's ESOS Committee.

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

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

He has been involved in planning and managing the Group along with charting the overall strategy and direction of the Group as well as customer relationship management.

Currently, he also serves as the Executive Director of DGB Asia Berhad and sits on the Board of M N C Wireless Berhad and Metronic Global Berhad as a Non-Independent Non-Executive Director.

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during FY2021.

CHOONG LEE AUN

Executive Director

Malaysian

Male

Aged 55

Choong Lee Aun was appointed to the Board of TRIVE on 08 February 2021.

He holds an Advance Diploma in Electronic Engineering Technology from Lethbridge Community College, Lethbridge, Canada, Management Certificate in Leadership from Oxford University London, UK and Management Certificate in Strategy from Harvard Business School, Boston, US.

He has more than 25 years of experience ranging from various general management and sales leadership roles. He is well versed with the corporate operations and processes, as well as the familiarity of complex business environment globally.

He was previously a Head of Marketing and Global Brand ambassador of RS Components, the world's leading high service level distributor of electrical, electronic and industrial supplies based in Shanghai. Prior to that, he was the Vice President of Arrow China, a worldwide leading distributor of products, services and solutions to the electronics component market across Asia Pacific region.

He is a Non-Independent Non-Executive Director of PNE PCB Berhad. He also currently serve as the Executive Director of AT Systematization Berhad, AE Multi Holdings Berhad and D'nonce Technology Bhd.

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2021.

DIRECTORS' PROFILE (CONT'D)

CHEN CHEE PENG

Independent Non-Executive Director

Malaysian

Male

Aged 58

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

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

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

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

development and overseeing the day-to-day operation of the DVM Group.

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

He is an Independent Non-Executive Director of Saudee Group Berhad.

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2021.

KANG TEIK YIH

Independent Non-Executive Director

Malaysian

Male

Aged 46

Kang Teik Yih was appointed to the Board of TRIVE on 10 June 2020. He is the Chairman of the Company's Audit Committee and a member of the Company's Nominating Committee and Remuneration Committee.

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

He started his career in an education establishment as an Executive & Admin Assistant from 1998 to 2000 where he had assisted in various projects for the growth and expansion of the college as well as their payroll, taxation and accounting related work. In 2001, he joined a ceramic tiles group of companies specializes in tiles and sanitary wares as an Accounts Executive.

Subsequently in 2004, he join an international bank as a Personal Relationship Manager where he was in-charge of main customers' portfolios. In 2006, he joined an established audit firm and since then, he has been actively growing the professional business mainly in accounting, tax planning, payrolls, auditing and all other related corporate services.

He is an Independent Non-Executive Director of Green Ocean Corporation Berhad, D'nonce Technology Bhd and Advance Information Marketing Berhad.

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2021.

DIRECTORS' PROFILE (CONT'D)

DORIS WONG SING EE

Non-Independent Non-Executive Director

Malaysian

Female

Aged 40

Doris Wong was appointed to the Board of TRIVE as an Independent Non-Executive Director on 06 February 2017 and was re-designated to Non-Independent Non-Executive Director on 17 October 2017. She is a member of the Company's Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee.

She holds Master in Corporate Governance and also Graduate Cert. in Accounting from HELP University. Prior to that, she graduated from Multimedia University with B.Sc. (Hons) in Creative Multimedia, majoring in Media Innovation. She has more than 20 years of experience in management level across various industries ranging from advertising, property development, F&B, and oil & gas, specializing in Business Development, Strategic Consultancy and Corporate Advisory in Merger & Acquisition and Joint Venture across Malaysia, Singapore, China, Japan, Thailand and Indonesia.

Starting off as a Business Development Manager in her career path, her enthusiastic attitude has molded her

to become Business Development Director within just a year before she was promoted to Managing Director in Niagamatic Sdn Bhd. In 2012, she was appointed as Business Consultant in a legal firm (JLPW Law Firm) where she gained exposures in handling Merger & Acquisition and Joint Venture deals internationally. She was then appointed by a leading Japanese advertising firm listed in Tokyo Stock Exchange, Asatsu-DK (ADK) as Malaysia's country General Manager in 2015 in one of its subsidiaries, Dai-Ichi Kikaku Sdn Bhd to turn around the company.

Currently, she is an Executive Director of Metronic Global Berhad.

She does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. She has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during FY2021.

YONG MAN CHAI

Non-Independent Non-Executive Director

Malaysian

Male

Aged 43

Yong Man Chai was appointed to the Board of TRIVE on 08 February 2021.

He holds a Degree in Bachelor of Accounting (Hons) from Universiti Putra Malaysia. He is a chartered accountant under the membership of the Malaysian Institute of Accountants (MIA) and Association of Chartered Certified Accountants (ACCA). He has over 20 years of experience in financial reporting, corporate finance, audit and assurance, tax advisory and other management discipline.

He has been the Chief Financial Officer of AT Systematization Berhad ("ATS") since September 2013 in charge of financial management processes, accounting and treasury functions of ATS Group.

He does not have family relationships with any director and/or major shareholder of the Company or any conflict of interest involving the Group. He has no conviction for any offences within the past 5 years other than traffic offences, if any, neither nor any public sanction or penalty imposed by the regulatory bodies during the FY2021.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

This statement gives the shareholders an overview of the corporate governance practices of the Company during the FY2021 and it is to be read together with the Corporate Governance Report which is available at the Company's website (www.trivegroup.com.my)

In FY2021, the Company had applied the following key principles of good corporate governance in the MCCG:

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

The Company had adopted 30 out of the total 32 recommended practices in the MCCG. The recommended practices not adopted in FY2021 are as follows:

- Practice 4.1 – At least half of the Board comprises Independent Directors
- Practice 4.5 – The Board discloses in its annual report the company's policies on gender diversity, its targets and measures to meet those targets. For Large Companies, the Board must have at least 30% women directors.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Clear roles and responsibilities

The Board provides entrepreneurial leadership as well as overseeing the overall long term success and sustainability of the Group.

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

The Executive Directors are responsible for overseeing the day-to-day operations and affairs of the Group. The Non-Executive Directors, both independent and non-independent, are responsible in providing insights, objective and independent views and judgement in the decision making process of the Board.

The Board had established a Governance Model where certain areas of responsibilities are delegated to the Board Committees for better efficiency. The Chairman of the respective Board Committees will report to the Board in respect of the Committee's recommendations, decisions and significant deliberations if any.

The Board Committees namely the Audit Committee, Nominating Committee, Remuneration Committee, Risk Management Committee and ESOS Committee perform their respective duties according to the terms of reference established by the Board.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Good business conduct and corporate culture

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

- Board Charter
- Whistle Blowing Policy
- Code of Conducts and Ethics
- Anti-Bribery & Corruption Policy
- Corporate Disclosure Policies

The above-mentioned policies are available on Company's website (www.trivegroup.com.my) and are to be reviewed by the Board periodically as and when required. The last review was on 18 November 2021.

Supply of Information

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

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

The minutes of meetings are kept at the registered office of the Company and accessible by all Directors during office working hours.

Company Secretaries

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

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

In FY2021, the Company Secretaries had attended various webinars and professional development programmes to keep themselves abreast with the regulatory changes and other areas of laws, governance and tax.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION

There are presently 7 Board members, comprising 3 Independent Non-Executive Directors, 2 Non-Independent Non-Executive Directors and 2 Executive Directors. The number of Independent Directors complies with the Main LR of Bursa Securities where at least 2 Directors or 1/3 of the Board members, whichever is higher are Independent Directors.

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

An overview of the Board composition, balance and diversity as at 31 July 2021 is set out in Table I and II below:

Table I

Gender Diversity		Ethnicity Diversity		Age Diversity		Tenure of Directorships	
	%		%		%		%
Male	76	Malay	14	40 years & below	29	1 year & below	29
Female	14	Chinese	76	41- 50 years	14	1 - 2 years	14
				51- 60 years	43	3 - 4 years	43

Table II

Mix of Skills and Experiences	
	%
Corporate CEO/Management	70
Accounting/Finance/Compliance	100
Technology/Engineering	50

Gender Diversity

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

As at 31 July 2021, the Board comprised of one female Director, which is equivalent to 14% female representation in the boardroom of TRIVE.

Ethnicity Diversity

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

As at 31 July 2021, the Board comprised of one Malay Director, which is equivalent to 14% ethnicity diversity in the boardroom of TRIVE.

Age Diversity

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

As at 31 July 2021, the age profile of the Directors of TRIVE ranges from below 40 to below 60 years of age.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Tenure of Directorships

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

As at 31 July 2021, none of the Independent Directors of the Company had served more than 9 years.

Re-elections and Appointments

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

The Nominating Committee is responsible to assess and recommend the re-election of Directors due for retirement under the Company's Constitution. Upon its assessments carried out, the Nominating Committee is satisfied that Dato' Kua Khai Shyuan, Dato' Haji Sohaimi Bin Shahadan, Mr. Choong Lee Aun and Mr. Yong Man Chai, the Directors due for retirement at the forthcoming AGM of the Company had carried out their duties and responsibilities as Directors of the Company diligently. Hence, the Nominating Committee had recommended their re-elections at the forthcoming AGM to the Board for approval.

The Board, after having considered the above recommendations had, recommended that Dato' Kua Khai Shyuan, Dato' Haji Sohaimi Bin Shahadan, Mr. Choong Lee Aun and Mr. Yong Man Chai to be considered by the shareholders at the forthcoming 15th AGM of the Company.

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

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

During FY2021, the Nominating Committee had assessed and recommended the appointment of Mr. Choong Lee Aun and Mr. Yong Man Chai as Directors of the Company.

Annual Assessments

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Annual Assessments (Cont'd)

The Nominating Committee met twice during the FY2021 and their summaries of works are as follows:

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

Time Commitment

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

During FY2021, there were 4 Board meetings held and the details of the Directors' attendance are as follows:

Name	Number of Meetings Attended
Dato' Haji Sohaimi Bin Shahadan	3/4
Dato' Kua Khai Shyuan	4/4
Chen Chee Peng	4/4
Doris Wong Sing Ee	4/4
Kang Teik Yih	4/4
Choong Lee Aun (appointed on 08 February 2021)	2/2
Yong Man Chai (appointed on 08 February 2021)	2/2

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Directors' Trainings

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

During FY2021, the trainings attended by the Directors are as follows:

Name	Description
Doris Wong Sing Ee	<ul style="list-style-type: none"> Stress Management for the New Norm – Post MCO
Kang Teik Yih	<ul style="list-style-type: none"> Back to Basic – Unfair Dismissal & Remedies Latest Development on Tax Incentives Annual Report Disclosure during the era of Covid19 Company Directors Taxation Responsibility Understanding Employment Taxation AMLA & Anti Terrorism Act Mandatory Accreditation Program for Directors of Public Listed Companies
Yong Man Chai	<ul style="list-style-type: none"> Mandatory Accreditation Program for Directors of Public Listed Companies Section 17A MACC Act 2009 Budget 2021: Income Tax, RPGT & SST Latest Updates and Comprehensive Tax Planning Business Tax 2020 – New and Practical Tax Planning Strategies Formulated for Corporates and SMEs
Choong Lee Aun	<ul style="list-style-type: none"> Section 17A MACC Act 2009

Save as disclosed, the other Directors did not attend any structured training during the FY2021 as they enhanced their knowledge and kept abreast with the latest development on statutory and regulatory requirements from the secretaries and external auditors during the meetings of the Directors.

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

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

III. REMUNERATION

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION (CONT'D)

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

The Remuneration Committee met once in FY2021 to review and recommend the remunerations of Executive and Non-Executive Directors of the Company.

Details of the Directors' remuneration for FY2021 are as follows:

Directors	Group Level (RM)			Company Level (RM)		
	Fees	Salary, bonus & benefit in-kinds	Total	Fees	Other benefits	Total
Executive Directors						
Dato' Kua Khai Shyuan	39,000	–	39,000	39,000	–	39,000
Choong Lee Aun	17,250	–	17,250	17,250	–	17,250
Non-Executive Directors						
Dato' Haji Sohaimi Bin Shahadan	150,000	–	150,000	150,000	–	150,000
Chen Chee Peng	30,000	–	30,000	30,000	–	30,000
Doris Wong Sing Ee	30,000	–	30,000	30,000	–	30,000
Kang Teik Yih	34,250	–	34,250	34,250	–	34,250
Yong Man Chai	11,500	–	11,500	11,500	–	11,500

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

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

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

As at 31 July 2021, the Audit Committee of the Company comprised entirely Independent Directors. The Audit Committee was chaired by Kang Teik Yih, a member of the Malaysian Institute of Accountants and a member of Certified Practising Accountants, Australia.

The Audit Committee had held 4 meetings in FY2021 and the summary of their activities including the internal audit functions are set out in the Audit Committee Report section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

External Auditors

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

During FY2021, the Board had appointed Messrs. ChengCo PLT as the External Auditors of the Company and its subsidiaries in place of Messrs. Jamal, Amin & Partners who had resigned as the External Auditors of the Group as their firm was sanctioned by Audit Oversight Board from accepting and auditing any public interest entity or schedule fund for 12 months pursuant to Section 31Z(2) of the Securities Commission Malaysia Act 1993.

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

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management

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

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

The Board had received assurance from the Executive Directors that the Group's risk management and internal control had been operating adequately in FY2021.

Internal Audit Function

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

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

The cost incurred for the Group's internal audit function for FY2021 was RM10,000.00.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS

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

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

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

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

II. CONDUCT OF GENERAL MEETINGS

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

Each item of special business included in the notice of AGM will be accompanied by explanatory statement to facilitate a full understanding and evaluation of the proposed resolution. All the resolutions set out in the notice of meeting would be put to vote by poll.

The Board supports and encourages active shareholders' participation at AGM and any other general meetings. In accordance with the Company's Constitution, any shareholder may appoint up to a maximum of 2 proxies to attend and vote on his behalf in any general meeting. The proxy need not be a member of the Company.

At the AGM of the Company the Chairman will invite shareholders to raise questions pertaining to the proposed resolution which are to be addressed during the Q&A session and before putting the motion to vote by poll. Board members and senior management will be present to respond to any questions raised from the shareholders. The Company's external auditors will also be present to address issues relating to the audits and the auditors' reports.

Before the commencement of poll voting, the Company Secretary will brief shareholders on the poll voting procedures and instructions. The Polling Administrator will conduct the polling process and the Independent Scrutineer will undertake the vote counting verification.

The Company Secretary will announce the results of the poll and the outcome of the meeting to Bursa Securities via the Bursa LINK and the said announcement can also be accessed via the Company's website.

During FY2021, the Company had held 2 general meetings virtually through live streaming and online participation and voting using remote participation and voting (RPV) facilities.

All the resolutions set out in the notice of the EGM dated 24 November 2020 and the notice of the AGM dated 27 November 2020 were voted upon by poll in accordance with Paragraph 8.29A of the Main LR of Bursa Securities using the RPV facilities.

At both general meetings, the Poll Administrator was responsible in conducting the polling process whilst the Independent Scrutineer verified the results of the poll upon which, the Chairman declared all the resolutions carried. Thereafter, the poll results of the respective general meetings were announced to Bursa Securities via the Bursa LINK after 5.00 pm on the same day.

This Statement is issued in accordance with a resolution of the Board dated 18 November 2021.

SUSTAINABILITY REPORT

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

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

REPORTING SCOPE AND METHODOLOGY

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

This Report, which is produced annually, covers the reporting period from 01 August 2020 to 31 July 2021. This Report provides the key aspects of TRIVE and its subsidiaries' approach, initiatives and activities towards sustainability.

SCOPE OF REPORT	01 August 2020 to 31 July 2021
REPORTING CYCLE	Annual
PRINCIPLE GUIDELINES	Bursa Malaysia's Sustainability Guide
COVERAGE	TRIVE and its subsidiaries

This Report can be downloaded at our corporate website at www.trivegroup.com.my.

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

GOVERNANCE STRUCTURE

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

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

The Board of Directors executes the Group's sustainability strategy by overseeing business strategy and risk management. The Executive Directors/Executive Management are responsible for sustainability practices within the Group's operations and businesses. The Executive Management holds regular internal discussions and reviews of the sustainability pillars.

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

Besides, the Group has adopted a Code of Business Conduct and Anti-Bribery Corruption Policy which emphasizes the Group's commitment to conduct its business with integrity and good ethical standards, in compliance with applicable anti-bribery and anti-corruption laws.

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDER ENGAGEMENT

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

The table below summarizes our approach to stakeholders' engagement:

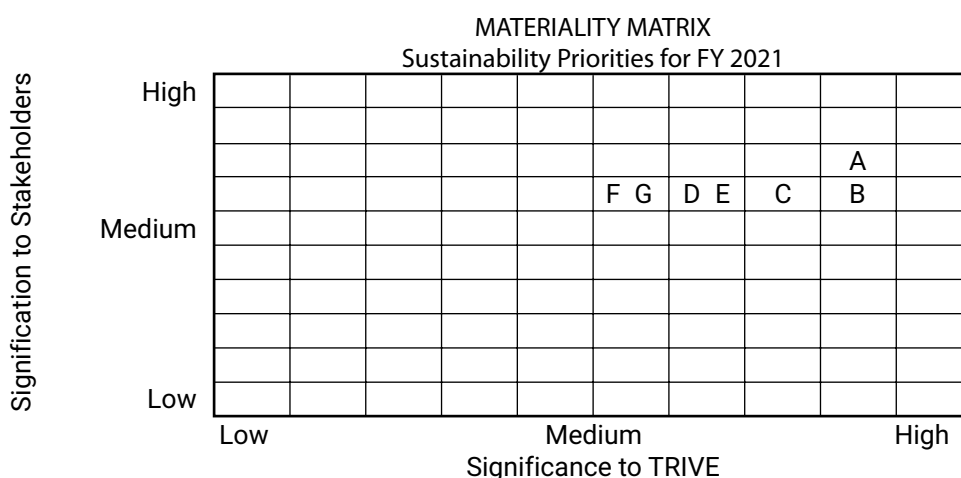
Key Stakeholders	Key Topics and Concerns	Methods of Engagement	Frequency of Engagement
Suppliers	<ol style="list-style-type: none"> 1) Product quality 2) Pricing 3) Supplier relationship 4) Creditability 	<ul style="list-style-type: none"> • Supplier meetings • Informal discussion • Corporate website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

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT

The selection and assessment of material topics is an ongoing process. Upon the identification of the EES factors that are significant to the business and stakeholders, the Company then reviews the exposures and extent of the impact of the material EES factors.

During the materiality determination process, the Company took into consideration the material topics that have the greatest impact on the Group's business sustainability.



A	Social	Employees Health & Safety
B	Economic	Managing Business Continuity
C	Economic	New business and Investment
D	Environment	Waste Management
E	Environment	Energy Consumption
F	Social	Talent Development
G	Social	Equal Employment Opportunities

In FY2021, the Group's focus areas are summarized as follows:

EES Topic	Focus Areas	Activities and Approach
Social	Employees Health & Safety	<p>The Company placed significant efforts to ensure the health and safety of its employees are protected. At the onset of the Covid-19 outbreak in early 2020, the Company immediately enforced appropriate safety measures such as using personal protective equipment and initiated the sanitization of the office premises.</p> <p>Notwithstanding the restrictions of movement control order (MCO) had been lifted, the employees' health and safety remained the top priority. All the employees have to follow strictly the Standard Operating Procedures (SOP) and all other safety and precautionary measures undertaken by the Company to contain the transmission of Covid-19.</p>

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

In FY2021, the Group's focus areas are summarized as follows: (Cont'd)

EES Topic	Focus Areas	Activities and Approach
Economic	Managing Business Continuity	The Covid-19 pandemic has posed challenges and affected the Group's businesses. Hence, the Company placed significant efforts to ensure continuity of its business and also to allay the disruption of supply.
Economic	New Business and Investment	<p>The Company places priority in enhancing shareholders' value and will assess the risks in both the funds into which the Company invests in and select the right business for the Group.</p> <p>For any investment or business ventures, a proper diligence process must be carry out to ensure that the Company, and its shareholders, capitalise on the opportunities presented and mitigate the risks by managing these acquisitions responsibly. Subsequently upon acquisition, the Company shall continue monitoring its strategies to stay relevant and competitive in market and to improve the sustainable performance of the Group.</p> <p>During FY2021, TRIVE had completed the acquisition of Avenue Escapade Sdn Bhd which owns Persoft Tower, a MSC compliant building strategically located in close proximity to major suburbs such as Damansara Jaya, Damansara Utama, Bandar Utama, Ara Damansara and Kota Damansara.</p>
Environmental	Waste Management	<p>The Company acknowledges its environmental responsibility and the related impacts and shall strive to mitigate its own environment impact, to exercise great care and grow in a sustainable manner.</p> <p>The Group had focused on optimizing recycling and encouraged its employees to think before print so as to reduce paper usage as well as practicing the good culture of recycling waste materials. In these aspects, the employees were encouraged to use recycled paper for internal notes and printing whenever possible. Waste papers, newspapers, cardboards, boxes and other recyclable materials were then packed separately in the waste bin for collection and further processing by the waste management company.</p>
Environment	Energy Consumption	Other focus area in FY2021 was on energy savings in which power saving features or sleep mode were enabled on computers, photocopiers and other equipment that helped to reduce power consumption when these items are not in use.
Social	Talent Development	<p>The Group also believes in providing learning and development opportunities to its employees to enable them to achieve personal growth and performance excellence for the business.</p> <p>During FY2021 the Group had encouraged and supported the growth and development of its employees in advancing their knowledge and skills by attending various development programmes and webinars so that they stay responsive to changes in the work environment and contribute optimally to the Group.</p>

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

In FY2021, the Group's focus areas are summarized as follows: (Cont'd)

EES Topic	Focus Areas	Activities and Approach
Social	Equal Employment Opportunities	<p>The Board does not have a fixed policy in workplace diversity but is committed to provide equal employment opportunities and treat all employees fairly with respect regardless of their religions, ethnicity, genders, age and nationalities towards a positive and harmonious working environment, at the same time creating a healthy lifestyle and working cultures.</p> <p>In FY2021, the workforce comprised more males than females due to the nature of work but there were diverse skills, experiences, cultures as well as age demographics aspects.</p>

MOVING FORWARD

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

This Statement is issued in accordance with a resolution of the Board dated 18 November 2021.

OTHER DISCLOSURES

1. Material Contracts

There were no material contracts entered into by the Company and/or its subsidiaries which involved Directors and major shareholders' interest either still subsisting at the end of the FY2021 or entered into since the end of the previous financial year of the Company that have not been reflected in the financial statement for the FY2021.

2. Utilisation Of Proceeds

The status of the utilisation of proceeds amounting to RM99,284,605.20 raised from the shares issuance as at FY2021 is as follows:

Purpose	Expected timeframe for utilisation	Amount Up to RM'000	Amount utilised as at 31.07.2021 RM'000	Amount unutilised as at 31.07.2021 RM'000
Finance the Purchase				
Consideration for the Proposed Acquisition	Within 3 months	9,912	9,912	–
Repayment of the term loan	Within 3 months	54,017	54,017	–
Working capital	Within 24 months	34,416	7,967	26,449
Estimated expenses for the Proposal	Immediate	940	940	–

3. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid or payable to the external auditors or a firm or corporation affiliated to the audit firm by the Company and the Group for FY2021 are follows:

	Group Level RM'000	Company Level RM'000
Audit fees paid or payable to the external auditors	180	98
Non-audit fees paid or payable to the external auditors	7	5
Non-Audit Fees paid or payable to an affiliated firm of the external auditors for tax compliance and advisory services	–	–
	187	103

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

There were no recurrent related party transactions of a revenue or trading nature conducted pursuant to shareholders' mandate during the FY2021.

5. Employees Shares Option Scheme

The ESOS of the Company was approved by shareholders at an Extraordinary General Meeting of the Company duly held and convened on 22 May 2015. The effective date for implementation of the ESOS was on 12 October 2015 and had been extended to another 5 years expiring on 10 October 2025 pursuant to the By-Laws.

No share options were granted to and accepted by eligible employees and/or Directors during FY2021.

DIRECTORS' RESPONSIBILITY STATEMENT

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

In preparing the financial statements for FY2021, the Directors had:

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

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

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

This Statement is issued in accordance with a resolution of the Board dated 18 November 2021.

AUDIT COMMITTEE REPORT

MEMBERSHIPS

The current members of the Audit Committee is as follows:

Name	Designation	Directorate
Kang Teik Yih	Chairman	Independent Non-Executive
Chen Chee Peng	Member	Independent Non-Executive
Doris Wong Sing Ee (appointed on 01.10.2021)	Member	Non-Independent Non-Executive

MEETINGS AND ATTENDANCE

The Audit Committee met 4 times during FY2021. The details of attendance for FY2021 are as follows:

Name	No. of Meetings Attended
Kang Teik Yih	4/4
Chen Chee Peng	4/4
Dato' Haji Sohaimi Bin Shahadan (resided on 01.10.2021)	3/4

TERMS OF REFERENCE

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

SUMMARY OF WORK

Works carried out by the Audit Committee during the FY2021 are summarized below:

Financial Reporting

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

External Audit

- Reviewed with the external auditors, the external audit plan, nature and scope of the audit plan and coordination of the external auditors to meet the key deliverables timeline.
- Reviewed with the external auditors, the audit review memorandum arising from audits of the Company and its subsidiaries together with comments and responses of the Management including the assistance given by the Management and employees of the Group.
- Reviewed with the external auditors, the weaknesses in internal control of the Group.
- Assessed the independence, resources and the overall performance of the external auditors and upon assessment, recommended them to the Board for re-appointment.
- Held private sessions with the external auditors without the presence of the Executive Directors or the Management of the Company to reinforce the independence of the external audit function of the Company.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF WORK (CONT'D)

External Audit (Cont'd)

- Held private sessions with the external auditors without the presence of the Executive Directors or the Management of the Company to enquire about any extraordinary matters or material concerns related to the Group which required immediate attention of the Audit Committee.

Risk Management & Internal Control

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

Annual Report

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

Others

- Reviewed and verified the ESOS Register tabled by the Management in respect of share options granted to eligible employees or Directors during the respective period. During the FY2021, no share options were granted to eligible employees and/or Directors of the Company.
- Reviewed the report by the Management in respect of recurrent related party transactions and possible conflict of interest situation that may arise within the Company or the Group to ensure all related party transactions were undertaken on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company. During the FY2021, there were no related party transactions involving the interests of the Directors or major shareholders of the Company.
- Deliberated on the composition of the Audit Committee and the actions undertaken to comply with the requirements of Bursa Securities.

AUDIT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

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

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

During the FY2021, the internal auditors had reviewed the property maintenance, operations and repairs, preventive maintenance and work order system, building security requirements, general waste management and insurance coverage. The internal auditors had assisted the Audit Committee in analyzing the issues and provided recommendations for improvements based on risk ratings to ensure adequate and effective systems are in place.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

This statement is prepared in accordance with the requirement under Paragraph 15.26(b) of the Main LR of Bursa Securities and as guided by the “Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers”.

INTRODUCTION

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

RISK MANAGEMENT

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

The Risk Management Processes of the Group are summarized below:

1) Risk Identification

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

2) Risk Evaluation

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

3) Risk Treatment

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

4) Risk Monitoring

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

In order to support the ever evolving business, the Group will review the above processes on needed basis to ensure it stays relevance.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT (CONT'D)

Risk Register

Emerging risks identified during FY2021 are as follows:

- Strategic Business Planning – Covid-19 pandemic impact risk
- Strategic Business Planning – Business development and revenue risk
- Financial Management – Interest rate risk

Given the property development activities for the Kerteh Project was halted temporarily, the principal risk areas identified in last financial year as stated below had been considered not significant to the Group for FY2021:

- Subdued property market risk
- Construction cost overrun risk
- Delayed completion of projects risk

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

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

INTERNAL AUDIT FUNCTION

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

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

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

- i) Clear organization structure with defined reporting lines as well as delegation of responsibilities to the Board Committees including terms of reference, duties and functions.
- ii) All major decisions require the approval of the Board are only made after in-depth discussion and deliberation. The Board meets every quarterly and has ad-hoc meetings as and when need arises.
- iii) Management accounts and reports are prepared monthly for monitoring of operating results.
- iv) The Human Resource Policy that sets the guidelines within the Company regarding employment and dismissal as well as other relevant procedures in place to ensure that employees are adequately guided in carrying out their responsibilities.
- v) The Whistle-Blowing Policy that sets out a formal communication channel for employees and stakeholders of the Group to communicate matters of concern in good faith and without fear of reprisal.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

OTHER KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

- vi) The Code of Business Conducts that sets out the business conducts and practices in the Group which is applicable to all directors, employees and any other persons who represent the Group in executing their duties and functions of the Group.
- vii) The Anti-Bribery & Corruption Policy builds into the Group's culture that any conduct of bribery or corruption will not be tolerated.

BOARD ASSESSMENT

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

As at 31 July 2021, the Board is of the view that the Group had adequately addressed its internal control systems and risk management as there was no significant breakdown or weaknesses in the system on internal control or risk management of the Group that had resulted in material losses to the Group for the financial year under review.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

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

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

This Statement is issued in accordance with a resolution of the Board dated 18 November 2021.

LIST OF PROPERTIES

Save as disclosed below, neither TRIVE nor its subsidiaries owned any other material properties as at 31 July 2021:

No.	Name of Registered Owner/Postal Address/ Title Identification	Approx Age of Building/ Tenure/ Date of Expiry of Lease	Description & Existing Use	Land & Build-up Area	Audited Net Book Value as at 31.07.2021	Year of Valuation/ Acquisition
1	Lots 7534 to 7709, Lots 7714 to 7748, PT Nos. 6018 to 6091, PT Nos. 6094 to 6101, PT Nos. 6103 to 6196, PT Nos. 6201 to 6235, Lots 7710 to 7713, Lots 7749 to 7812, Lots 7813 to 8044, Lots 52035 to 52154, Lots 52159 to 52214, PT Nos. 6648 to 6767, PT Nos. 6772 to 6827, PT Nos. 5803, Lot 6021, Lot 8051, PT Nos. 6647 All within Mukim of Kertih, District of Kemaman, Terengganu Darul Iman	Leasehold of 99 years expiring on 15.02.2099 except Lot 6021 expiring on 28 March 2096	Land held for development	Land: 209,184 square metres	RM2,500,000	2017
2.	25 units of stratified offices, 1 unit of lower and upper penthouse together with 249 car park bays (1st to 5th floor) DF2-G-03, DF2-G-03A, DF2-G-05, DF2-06-01, DF2-06-02, DF2-06-03, DF2-06-03A, DF2-07-01, DF2-07-03, DF2-07-03A, DF2-08-01, DF2-08-03A, DF2-09-01, DF2-09-02, DF2-09-03, DF2-09-03A, DF2-10-01, DF2-10-02, DF2-11-01, DF2-11-02, DF2-12-01, DF2-13-01, DF2-13A-01, DF2-15-01, DF2-16-01, bearing postal address Persoft Tower, 68, Persiaran Tropicana, Tropicana Golf And Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan held under Strata Title Nos. N12258/M1/1/1, PN IZ258/M1/1/2, PN12258/M1/1/3, PN12258/M1/2/4, PN12258/M1/7/5 With Accessory Parcel No. A1, N12258/M1/7/6 With Accessory Parcel No. A2, PN12258/M1/7/7 With Accessory Parcel No. A3, PN12258/M1/7/8 With Accessory Parcel No. A4, PN12258/M1/8/9, PN12258/M1/8/11, PN12258/M1/8/12, PN12258/M1/9/13 With Accessory Parcel No. A5, PN12258/M1/9/15 With Accessory Parcel No. A7, PN12258/M1/10/17, PN12258/M1/10/18, PN12258/M1/10/19, PN12258/M1/10/20, PN12258/M1/11/21, PN12258/M1/11/22, PN12258/M1/12/23 With Accessory Parcels Nos. A9 And Ale, PN12258/M1/12/24 With Accessory Parcels Nos. A11, A12, A13 And A14, PN12258/M1/13/25, PN12258/M1/14/26, PN12258/M1/15/27, PN12258/M1/16/28, PN12258/M1/17/29 And PN12258/M1/17/30 With Accessory Parcel No. A15, Lot No. 935, Town Or Bandar Damansara, District Of Petaling And State Of Selangor Darul Ehsan	Leasehold for 99 years. Term expiring on October 25th, 2090. Leaving an unexpired term of 70 years as at the date of valuation	Stratified office building	Gross Floor Area: 12,419.00 square metres (133,678.12 square feet) Net Lettable Area: 11,547.66 square metres (124,299.00 square feet)	RM62,696,712	1.11.2016

ANALYSIS OF SHAREHOLDINGS

AS AT 16 NOVEMBER 2021

Total number of issued shares : 1,053,018,540 ordinary shares

Voting right : One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS

Size of holdings	No. of Holders	%	No. of Shares	%
1 to 99	3,059	21.13	71,708	0.01
100 to 1,000	2,881	19.90	1,489,387	0.14
1,001 to 10,000	4,733	32.70	20,078,808	1.91
10,001 to 100,000	3,030	20.93	114,603,298	10.88
100,001 to 52,650,926*	769	5.31	480,582,056	45.64
52,650,927 and above**	3	0.02	436,193,283	41.42
TOTAL	14,475	100.00	1,053,018,540	100.00

Remarks:

* less than 5% of issued shares

** 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Director	Direct Interest	No. of Shares		%
		%	Indirect Interest	
Dato' Kua Khai Shyuan	200,000	0.02	-	-

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders	Direct Interest	No. of Shares		%
		%	Indirect Interest	
AT Precision Tooling Sdn Bhd	299,992,883	28.49	-	-
AT Systematization Berhad	-	-	299,992,883	28.49
Ho Jien Shiung	68,200,400	6.48	-	-

ANALYSIS OF SHAREHOLDINGS AS AT 16 NOVEMBER 2021 (CONT'D)

30 LARGEST SHAREHOLDERS AS AT 16 NOVEMBER 2021

	Name	No. of shares held	%
1.	AT PRECISION TOOLING SDN BHD	299,992,883	28.49
2.	HO JIEN SHIUNG	68,200,400	6.48
3.	CHEN CHOON LEE	68,000,000	6.46
4.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG FOR MAYBANK KIM ENG SECURITIES PTE LTD	34,080,300	3.24
5.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD	30,989,200	2.94
6.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)	30,000,000	2.85
7.	TAY BEN SENG, BENSON	29,400,000	2.79
8.	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEIK YEE KOK	23,605,700	2.24
9.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE (PW-M00144) (550548)	17,300,000	1.64
10.	CARTABAN NOMINEES (ASING) SDN BHD BARCLAYS BANK PLC (RE EQUITIES)	15,000,000	1.42
11.	ANG WAN JOO	9,500,000	0.90
12.	CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	8,000,000	0.76
13.	CHIN CHIN SEONG	5,385,331	0.51
14.	KENANGA NOMINEES (TEMPATAN) SDN BHD GAN BOON GUAT (EM1-P88)	5,258,200	0.50
15.	LIM KIAN WAT	5,000,000	0.47
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TAN SUN PING	5,000,000	0.47
17.	TOK SOON HING	4,566,300	0.43
18.	LIM HUN SWEE	3,880,000	0.37
19.	EE KIM CHENG	3,000,000	0.28
20.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	3,000,000	0.28
21.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR MURALITHARAN A/L P. SUBRAMANIAM (PB)	2,760,331	0.26
22.	LOW THIAM LEONG	2,750,000	0.26
23.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TIAM HOCK	2,727,300	0.26
24.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	2,697,000	0.26
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD KWOK KHO LEE	2,520,000	0.24
26.	LOW KIM SOON	2,500,000	0.24
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHONG JIN	2,400,000	0.23
28.	RAYMOND CHEAH CHOON ONG	2,238,000	0.21
29.	CHAN TIANG SENG	2,231,700	0.21
30.	PUBLIC INVEST NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP SECURITIES PTE LTD (CLIENTS)	2,030,482	0.19

ANALYSIS OF WARRANT HOLDINGS

AS AT 16 NOVEMBER 2021

Number of outstanding warrants C	:	526,509,027
Exercise period	:	3 years commencing from and including the date of issue of warrants C up to the expiry date on 17 February 2024
Exercise price	:	RM0.11 per warrant C

DISTRIBUTION OF SHAREHOLDERS

Size of holdings	No. of Holders	%	No. of Holdings	%
1 to 99	139	8.49	6,443	0.00
100 to 1,000	83	5.07	46,618	0.01
1,001 to 10,000	402	24.56	1,892,650	0.36
10,001 to 100,000	714	43.62	28,181,202	5.35
100,001 to 26,325,450*	295	18.02	195,344,656	37.10
26,325,451 and above**	4	0.24	301,037,458	57.18
TOTAL	1,637	100.00	526,509,027	100.00

Remarks:

* less than 5% of issued warrants C

** 5% and above of issued warrants C

DIRECTORS' WARRANT HOLDINGS

None of the directors of the Company holds any warrants C in the Company.

30 LARGEST WARRANT HOLDERS AS AT 16 NOVEMBER 2021

Name	No. of warrants held	%
1. AT PRECISION TOOLING SDN BHD	174,995,848	33.24
2. TAY BEN SENG, BENSON	46,708,316	8.87
3. CHEN CHOON LEE	39,666,666	7.53
4. HO JIEN SHIUNG	39,666,628	7.53
5. CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK SINGAPORE (EFGBHK-ASING)	26,288,800	4.99
6. ANG WAN JOO	15,820,300	3.00
7. SHIN KONG KEW @ CHIN KONG KEW	14,000,000	2.66
8. AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR LAZARUS CORPORATE FINANCE PTY LTD	11,307,033	2.15
9. MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MUTHUKUMAR A/L AYARPADDE (PW-M00144) (550548)	9,450,000	1.79
10. CGS-CIMB NOMINEES (ASING) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (HONG KONG) LIMITED (FOREIGN CLIENT)	3,000,000	0.57

ANALYSIS OF WARRANT HOLDINGS AS AT 16 NOVEMBER 2021 (CONT'D)

30 LARGEST WARRANT HOLDERS AS AT 16 NOVEMBER 2021

	Name	No. of warrants held	%
11.	EE KIM CHENG	3,000,000	0.57
12.	LIM KEAN GHEE	3,000,000	0.57
13.	LIM KIAN WAT	2,916,666	0.55
14.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BONG SOO MAY (PENANG-CL)	2,799,200	0.53
15.	SOHAN SINGH A/L SHAMIR SINGH	2,700,000	0.51
16.	NG KONG POH	2,300,000	0.44
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHIANG HONG @ TAN CHIANG KUNG	2,003,000	0.38
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG HUA WEI	1,950,000	0.37
19.	LEE CHONG AIK	1,769,300	0.34
20.	LIM HUN SWEE	1,680,000	0.32
21.	NENG AIK HONG	1,500,000	0.28
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH CHONG JIN	1,400,000	0.27
23.	HENG SOO FANG	1,242,100	0.24
24.	MA YUIN CHEK	1,206,000	0.23
25.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	1,120,000	0.21
26.	ANG CHO KOK	1,100,000	0.21
27.	CHOW YOON CHENG	1,056,000	0.20
28.	CHAN TIANG SENG	1,000,000	0.19
29.	CHEAH KHENG HOW	1,000,000	0.19
30.	CHONG KUM YEONG	1,000,000	0.19

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 July 2021.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as set out in *Note 8* to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	<i>Group</i> RM	<i>Company</i> RM
Loss attributable to:		
Owners of the Company	(57,046,124)	(35,565,967)
Non-controlling interests	(1,940,972)	-
	<u>(58,987,096)</u>	<u>(35,565,967)</u>

DIVIDEND

No dividend has been paid or declared since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT (CONT'D)

ISSUANCE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issue share capital from RM89,835,495 to RM173,301,687 by way of:

- a) issuance of 1,166 new ordinary shares as a result of the exercise of Warrants A by the registered holders of the Warrants A at an exercise price of RM0.10 per ordinary shares.
- b) issuance of 583 new ordinary shares as a result of the exercise of Warrants B by the registered holders of the Warrants B at an exercise price of RM0.09 per ordinary shares.
- c) completed the share consolidation of every 25 ordinary shares in the Company into 1 ordinary share following the issuance of 150,431,220 consolidated shares to the shareholders on the Main Market of Bursa Securities.
- d) issuance of 902,587,320 new ordinary shares ("Rights Shares") in the Company at an issue price of RM0.11 per Rights Share pursuant to Rights Issue with Warrants.

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

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company except for the share options granted to the Company's Employees Share Option Scheme ("ESOS").

EMPLOYEES SHARE OPTION SCHEME ("ESOS")

The ESOS is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 22 May 2015. The ESOS was implemented on 12 October 2015 and is in force for a period of five (5) years and extended for period of five (5) years expiring on 10 October 2025.

The main features of the ESOS are as follows:

- i. Eligible The maximum number of shares to be allotted and issued pursuant to the exercise of the options that may be granted under the ESOS shall not, in aggregate, exceed fifteen per cent (15%) of the prevailing issued and paid-up share capital of the Company (excluding treasury shares), at any one (1) time, throughout the duration of the scheme.
- ii. The subscription price shall be determined by the Board upon recommendation of the ESOS Committee and shall be fixed at the five (5)-day VWAP of the shares at the date of offer, with a discount of not more than ten per cent (10%) or such other percentage of discount in accordance with any prevailing guidelines, rules or regulations issued by Bursa Securities or any other relevant authorities from time to time during the duration of the scheme.
- iii. The new shares to be issued pursuant to the exercise of any options shall, upon allotment and issuance, rank pari passu in all respects with the then existing shares, except that the new shares shall not entitled to any dividends, rights, allotments and/or other distributions that may be declared, made or paid.

DIRECTORS' REPORT (CONT'D)

EMPLOYEES SHARE OPTION SCHEME ("ESOS") (CONT'D)

Details of share options granted and exercised under the ESOS are as follows:

	Offer date	Offered	Lapsed	Granted	Exercise price	Exercised	Share consolidation	Balance as at 31 July 2021
Tranche 1	17.3.2016	164,770,000	(20,000,000)	144,770,000	0.0350	(109,600,000)	(33,763,200)	1,406,800
Tranche 2	6.7.2020	312,000,000	-	312,000,000	0.0089	(312,000,000)	-	-
Tranche 3	16.7.2020	93,352,000	-	93,352,000	0.0092	(93,352,000)	-	-
		<u>570,122,000</u>	<u>(20,000,000)</u>	<u>550,122,000</u>		<u>(514,952,000)</u>	<u>(33,763,200)</u>	<u>1,406,800</u>

DIRECTORS' REPORT (CONT'D)

WARRANTS

WARRANTS A

Warrants A issued pursuant to the Bonus Issue of Warrants which expired on 3 September 2020.

WARRANTS B

Warrants B issued pursuant to the Bonus Issue of Warrants which expired on 28 August 2020.

WARRANTS C

On 24 February 2021, the Company listed and quoted 526,509,027 free detachable Warrants C on the basis of twelve (12) Rights Shares together with seven (7) free Warrant C for every two (2) existing ordinary shares of the Company.

The Warrants C are constituted by the Deed Poll dated 24 November 2020 (“Deed Poll C”).

The salient features of the Warrants C are as follows:

- i. Each Warrants C entitles the registered holder to subscribe for one (1) new ordinary share in the Company at an exercise price of RM0.11 during the three (3)-year period expiring on 17 February 2024 (“Exercise Period”), subject to the adjustments in accordance with the provisions of the Deed Poll C.
- ii. At the expiry of the Exercise Period, any Warrants C which have not been exercised will thereafter lapse and cease to be valid.
- iii. Warrant holders must exercise the Warrants C in accordance with the procedures set out in the Deed Poll C and shares allotted and issued upon such exercise shall rank pari passu in all respects with the then existing shares of the Company, and shall be entitled to any dividends, rights, allotments and/or other distributions after the issue and allotment thereof.

The movements in the Warrants C are as follows:

	Entitlements For Ordinary Shares			As at 31.7.2021
	As at 1.8.2020	Issued	Exercised	
Warrants C	-	526,509,027	-	526,509,027

DIRECTORS

The directors who served since the date of the last report and at the date of this report are as follow:

Dato' Kua Khai Shyuan
 Dato' Haji Sohaimi Bin Shahadan
 Doris Wong Sing Ee
 Chen Chee Peng
 Kang Teik Yih
 Choong Lee Aun (Appointed on 8 February 2021)
 Yong Man Chai (Appointed on 8 February 2021)

DIRECTORS' REPORT (CONT'D)

NAME OF DIRECTORS OF THE SUBSIDIARIES OF THE COMPANY

The name of the directors of the company's subsidiaries in office at any time during the financial year and during the period from the end of the financial year up to the date of the report, excluding those who are already listed above are:

Ho Jien Shiung
Ho Kee Wee
Ong Kah Hoe
Ong Kah Wee
Zhu Guohe

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial year in the shares in the Company during the financial year are as follows:

	----- Number of ordinary share -----			At 31.07.2021
	At 01.08.2020	Bought	Share consolidation	
<i>Direct interest in the Company</i>				
Dato' Kua Khai Shyuan	-	5,000,000	(4,800,000)	200,000

By virtue of his interests in the shares of the Company, Dato' Kua Khai Shyuan is deemed to have interests in the shares of all the subsidiary companies during the financial year to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown under Directors' remuneration below, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS (CONT'D)

Neither during nor at the end of the financial year, was 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 Company or any other body corporate, other than those arising from the share options granted under the ESOS.

DIRECTORS' REMUNERATION

The details of the directors' remuneration are disclosed in *Note 33* to the financial statements.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there are no known bad debts to be written off and that adequate allowance has been made for doubtful debts in the financial statements of the Group and of the Company; and
- (b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or render the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year 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.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or insurance effected for any director, officer or auditors of the Group and of the Company during the financial year.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in *Note 39* to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

The significant events subsequent to the financial year are disclosed in *Note 40* to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in *Note 30* to the financial statements.

**DIRECTORS' REPORT
(CONT'D)**

AUDITORS

The auditors, CHENGCO PLT, have expressed their willingness to continue in office.

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

.....
DATO' KUA KHAI SHYUAN
Director

.....
DORIS WONG SING EE
Director

Kuala Lumpur,

Dated: 24 November 2021

STATEMENT BY DIRECTORS

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

We, **DATO' KUA KHAI SHYUAN** and **DORIS WONG SING EE**, being two of the Directors of **TRIVE PROPERTY GROUP BERHAD**, do hereby state that, in the opinion of Directors, the financial statements set out on pages 60 to 149 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 July 2021 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

.....
DATO' KUA KHAI SHYUAN
Director

.....
DORIS WONG SING EE
Director

Kuala Lumpur,

Dated: 24 November 2021

STATUTORY DECLARATION

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

I, **DATO' KUA KHAI SHYUAN**, being the director primarily responsible for the financial management of **TRIVE PROPERTY GROUP BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 60 to 149 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
DATO' KUA KHAI SHYUAN at)
Puchong in the State of Selangor)
Darul Ehsan)
on 24 November 2021

Before me,

.....
DATO' KUA KHAI SHYUAN

SAMUEL JOHN A/L PONNIAH
No. PJS: B437
Commissioner of Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TRIVE PROPERTY GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements TRIVE PROPERTY GROUP BERHAD, which comprise the statements of financial position as at 31 July 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 149.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<p><u>Group</u> Impairment of property development cost</p> <p>The Group has significant amount of property development cost amounted to RM28,778,912 as at 31 July 2021. There is a risk the future performance of the assets may not lead to their carrying values being recoverable in full.</p>	<p>Our audit procedures included, among others: -</p> <ul style="list-style-type: none"> - Discussed with the management on the current development, future plan of the land and the effect of the impairment to the financial statements; - Reviewed management's future plan for the property development. We also considered the evidence for the execution of the plan; and - Reviewing the cashflow projection made by the management for the property development by assessing the reasonableness of key judgements and estimates used.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Impairment of goodwill</p> <p>The Group has significant amount of goodwill as at 31 July 2021 amounted to RM22,778,809, which arising from the acquisition of Avenue Escapade Sdn Bhd and Pakadiri Sdn Bhd. We focused on these areas because this assessment requires significant judgements by the Group on the assumptions supporting the underlying cash flow projections.</p>	<p>Our audit procedures included, among others: -</p> <ul style="list-style-type: none"> - Assessing the valuation methodology adopted by the Group in accordance to the requirements of MFRS 136 Impairment of Assets; - Comparing the actual results with previous financial performance to assess the performance of the business and reliability of forecasting process; - Comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections; and - Testing the mathematical accuracy of the impairment assessment.

**INDEPENDENT AUDITORS' REPORT
(CONT'D)**

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

Key Audit Matters (cont'd)

Key Audit Matters	How we addressed the key audit matters
<p>Impairment of trade receivables</p> <p>The Group has significant amount of trade receivables which amounted to RM13,042,507. We focused on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate.</p>	<p>Our audit procedures included, among others: -</p> <ul style="list-style-type: none"> - Understanding the design and implementation of controls associated with monitoring of outstanding receivables and impairment calculation; - Developing understanding of significant credit exposures which were significant overdue or deemed to be in default through analysis of ageing reports and other collection or legal reports prepared by management; - Obtaining confirmation of balances from selected receivables; - Checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with significantly past due balances; and - Assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries, of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

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

The financial statements for the financial year ended 31 July 2020 were audited by another firm of chartered accountants whose report dated 25 November 2020 expressed an unqualified opinion on those financial statements.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

TAN WAE LENG
02850/05/2022 J
Chartered Accountant

Kuala Lumpur,
Date: 24 November 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 JULY 2021

	Notes	Group			Company	
		2021 RM	2020 RM (Restated)	2019 RM (Restated)	2021 RM	2020 RM
ASSETS						
Non-current assets						
Property, plant and equipment	5	366,329	596,936	3,557,854	342,935	560,335
Right-of-use assets	6	88,142	-	-	-	-
Investment properties	7	62,696,712	59,588,615	-	-	-
Investment in subsidiary companies	8	-	-	-	27,269,465	36,921,848
Development expenditure	9	-	-	-	-	-
Goodwill on consolidation	10	7,052,228	22,775,448	15,723,220	-	-
		<u>70,203,411</u>	<u>82,960,999</u>	<u>19,281,074</u>	<u>27,612,400</u>	<u>37,482,183</u>
Current assets						
Property development cost	11	2,500,000	28,778,912	28,778,912	-	-
Trade receivables	12	9,292,587	4,021,022	6,382,029	-	-
Other receivables and deposits	13	3,344,777	4,254,039	13,046,236	22,665	33,984
Amount due from subsidiary companies	14	-	-	-	-	-
Other investment	15	841,297	-	875,595	841,297	-
Fixed deposits	16	17,035,538	1,865,744	3,050,479	15,294,578	151,357
Cash and bank balances	17	10,933,599	4,282,501	350,889	9,845,298	3,716,439
		<u>43,947,798</u>	<u>43,202,218</u>	<u>52,484,140</u>	<u>90,167,312</u>	<u>13,399,087</u>
Non-current assets held for sale	18	-	2,850,000	-	-	-
		<u>43,947,798</u>	<u>46,052,218</u>	<u>52,484,140</u>	<u>90,167,312</u>	<u>13,399,087</u>
TOTAL ASSETS		<u><u>114,151,209</u></u>	<u><u>129,013,217</u></u>	<u><u>71,765,214</u></u>	<u><u>117,779,712</u></u>	<u><u>50,881,270</u></u>

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

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Notes	Group			Company	
		2021 RM	2020 RM (Restated)	2019 RM (Restated)	2021 RM	2020 RM
EQUITY AND LIABILITIES						
EQUITY						
Share capital	19	173,301,687	89,835,495	79,600,636	173,301,687	89,835,495
Other reserves	20	16,838,614	1,021,710	1,012,896	16,831,478	1,012,896
Accumulated losses		(92,690,190)	(18,223,339)	(13,599,614)	(75,875,506)	(40,309,539)
Total equity attributable to owners of the Company		97,450,111	72,633,866	67,013,918	114,257,659	50,538,852
Non-controlling interest		-	(5,568,966)	-	-	-
TOTAL EQUITY		97,450,111	67,064,900	67,013,918	114,257,659	50,538,852
LIABILITIES						
Non-current liabilities						
Bank borrowings	21	-	47,946,637	-	-	-
Lease liability	22	10,784	-	-	-	-
		10,784	47,946,637	-	-	-
Current liabilities						
Trade payables	23	10,043,981	6,522,016	4,188,621	-	-
Other payables and accruals	24	5,880,646	3,253,590	405,523	849,257	246,353
Amount due to directors	25	664,785	574,949	157,152	191,297	96,065
Amount due to subsidiary companies	25	-	-	-	2,447,099	-
Bank borrowings	21	-	3,649,788	-	-	-
Lease liability	22	62,765	-	-	-	-
Current tax liabilities		38,137	1,337	-	34,400	-
		16,690,314	14,001,680	4,751,296	3,522,053	342,418
TOTAL LIABILITIES		16,701,098	61,948,317	4,751,296	3,522,053	342,418
TOTAL EQUITY AND LIABILITIES		114,151,209	129,013,217	71,765,214	117,779,712	50,881,270

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Notes	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
Revenue	26	9,845,331	4,387,644	-	-
Cost of sales	27	(9,226,781)	(3,986,537)	-	-
Gross profit		618,550	401,107	-	-
Other operating income	28	1,093,835	2,029,635	150,790	1,987,005
Administrative expenses		(4,810,221)	(4,408,778)	(35,675,173)	(1,917,200)
Other operating expenses		(51,902,762)	(1,957,827)	-	(1,957,827)
Loss from operations		(55,000,598)	(3,935,863)	(35,524,383)	(1,888,022)
Finance costs	29	(3,831,510)	(1,527,434)	-	-
Loss before tax	30	(58,832,108)	(5,463,297)	(35,524,383)	(1,888,022)
Tax expense	31	(153,310)	(17,743)	(41,584)	-
Loss for the financial year		(58,985,418)	(5,481,040)	(35,565,967)	(1,888,022)
Other comprehensive loss					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange translation differences		(1,678)	(1,285)	-	-
Total comprehensive loss for the financial year		<u>(58,987,096)</u>	<u>(5,482,325)</u>	<u>(35,565,967)</u>	<u>(1,888,022)</u>
Loss attributable to:					
Owners of the Company		(57,044,446)	(4,613,626)		
Non-controlling interests		<u>(1,940,972)</u>	<u>(867,414)</u>		
		<u>(58,985,418)</u>	<u>(5,481,040)</u>		
Total comprehensive loss attributable to:					
Owners of the Company		(57,046,124)	(4,614,911)		
Non-controlling interests		<u>(1,940,972)</u>	<u>(867,414)</u>		
		<u>(58,987,096)</u>	<u>(5,482,325)</u>		
Loss per share (sen)					
- Basic and diluted	32	<u>(7.90)</u>	<u>(0.18)</u>		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

Group	Attributable to Owners of the Company		Non-distributable		Foreign currency translation reserve		Accumulated losses	Total	Non-controlling interest	Total equity
	Share capital	Warrant reserve	ESOS reserve	Foreign currency translation reserve	(Accumulated losses)	RM				
At 1 August 2019	79,600,636	-	1,012,896	10,099	(13,609,713)	67,013,918	-	67,013,918	-	67,013,918
Issuance of share capital :										
Pursuant to private placement	6,601,088	-	-	-	-	6,601,088	-	6,601,088	-	6,601,088
Pursuant to ESOS	3,633,771	-	-	-	-	3,633,771	-	3,633,771	-	3,633,771
Effect on the increase in shareholding of subsidiary	-	-	-	-	-	-	-	-	(4,701,552)	(4,701,552)
Loss after tax	-	-	-	-	(4,613,626)	(4,613,626)	-	(4,613,626)	(867,414)	(5,481,040)
Other comprehensive loss:										
Foreign currency translation differences for foreign operation	-	-	-	(1,285)	-	(1,285)	-	(1,285)	-	(1,285)
Balance at 31 July 2020	89,835,495	-	1,012,896	8,814	(18,223,339)	72,633,866	(5,568,966)	67,064,900	-	67,064,900

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

STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Group	Attributable to Owners of the Company							Total equity
	Share capital	Warrant reserve	ESOS reserve	Foreign currency translation reserve	(Accumulated losses)	Total	Non-controlling interest	
	RM	RM	RM	RM	RM	RM	RM	RM
Balance at 1 August 2020	89,835,495	-	1,012,896	8,814	(18,223,339)	72,633,866	(5,568,966)	67,064,900
Issuance of share capital :								
Pursuant to exercised of warrants Pursuant to Rights Issues with Warrants	169	-	-	-	-	169	-	169
Effect on the increase in shareholding of subsidiary	83,466,023	15,818,582	-	-	-	99,284,605	-	99,284,605
Loss after tax	83,466,192	15,818,582	-	-	-	99,284,774	-	99,284,774
Other comprehensive loss:								
Foreign currency translation differences for foreign operation	-	-	-	-	(17,422,405)	(17,422,405)	7,509,938	(9,912,467)
Balance at 31 July 2021	-	-	-	-	(57,044,446)	(57,044,446)	(1,940,972)	(58,985,418)
				(1,678)	-	(1,678)	-	(1,678)
	173,301,687	15,818,582	1,012,896	7,136	(92,690,190)	97,450,111	-	97,450,111

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

**STATEMENTS OF CHANGES IN EQUITY
(CONT'D)**

Company	Non-distributable			Total equity
	Share capital	Warrant reserve	ESOS reserve	
	RM	RM	RM	RM
Balance at 1 August 2019	79,600,636	-	1,012,896	42,192,015
Issuance of share capital :				
Pursuant to private placement	6,601,088	-	-	6,601,088
Pursuant to ESOS	3,633,771	-	-	3,633,771
Total transactions with owners	10,234,859	-	-	10,234,859
Total comprehensive loss for the financial year	-	-	-	(1,888,022)
Balance at 31 July 2020	89,835,495	-	1,012,896	50,538,852
Issuance of share capital:				
Pursuant to exercised of warrants	169	-	-	169
Pursuant to Rights Issues with Warrants	83,466,023	15,818,582	-	99,284,605
Total comprehensive loss for the financial year	83,466,192	15,818,582	-	99,284,774
Balance at 31 July 2021	173,301,687	15,818,582	1,012,896	114,257,659

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 JULY 2021

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from operating activities				
Loss before tax	(58,832,108)	(5,463,297)	(35,524,383)	(1,888,022)
<i>Adjustments for:</i>				
Deposits forfeited	(18,392)	-	-	-
Depreciation of property, plant and equipment	252,762	298,803	233,000	170,661
Depreciation of investment properties	1,387,903	1,073,669	-	-
Depreciation of right-of-use asset	35,257	-	-	-
Impairment losses on:				
- amount due from subsidiary companies	-	-	4,885,876	-
- goodwill	15,723,220	-	-	-
- held for sale	-	153,266	-	-
- investment in subsidiary companies	-	-	19,564,850	-
- other receivables	90,827	-	-	-
- property development	26,278,912	-	-	-
- trade receivables	205,291	-	-	-
Interest expenses	3,831,510	1,527,434	-	-
Interest income	(180,915)	(42,828)	(150,790)	(198)
Loss on disposal of investment in quoted shares	-	1,781,061	-	1,781,061
Loss on disposal of non-current assets held for sale	153,266	-	-	-
Reversal of impairment losses on non-current asset held for sale	(153,266)	-	-	-
Reversal of impairment losses of property, plant and equipment	(684,656)	-	-	-
Write-back of other payables	-	(38,696)	-	(38,696)
Written-off of other receivables	-	75,081	-	75,081
Written-off of property, plant and equipment	684,656	-	-	-
Fair value (loss)/gain on investment in quoted shares	5,889,082	(1,942,005)	5,889,082	(1,942,005)
<i>Operating loss before working capital changes</i>	(5,336,651)	(2,577,512)	(5,102,365)	(1,842,118)
Trade and other receivables	(14,570,888)	(1,361,746)	11,319	12,995,357
Trade and other payables	6,167,413	2,144,337	602,904	10,160
<i>Cash (used in)/generated from operations</i>	(13,740,126)	(1,794,921)	(4,488,142)	11,163,399
Tax paid	(116,510)	-	(7,184)	-
Interest received	-	198	-	198
Net cash (used in)/generated from from operating activities	(13,856,636)	(1,794,723)	(4,495,326)	11,163,597

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

STATEMENTS OF CASH FLOWS (CONT'D)

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash flows from investing activities				
Acquisition of investment in quoted shares	(6,730,379)	-	(6,730,379)	-
Acquisition of subsidiary companies	-	-	(9,912,467)	(17,356,898)
Proceeds from disposal of non-current assets held for sale	2,850,000	-	-	-
Interest received	180,915	42,630	150,790	-
Placement of fixed deposits	(15,143,221)	(151,357)	(15,143,221)	(151,357)
Purchase of property, plant and equipment	(22,155)	(304,318)	(15,600)	(300,000)
Purchase of investment properties	(4,496,000)	-	-	-
Net cash used in investing activities	<u>(23,360,840)</u>	<u>(413,045)</u>	<u>(31,650,877)</u>	<u>(17,808,255)</u>
Cash flows from financing activities				
Advances to subsidiary companies	-	-	(57,104,944)	(4,318,152)
Financing from/ (Repayments) to directors	89,836	(1,293,123)	95,232	1,084,495
Interest paid	(3,831,510)	(1,527,434)	-	-
Repayments on bank borrowings	(51,596,425)	(2,609,729)	-	-
Placement of fixed deposits pledged	(26,573)	(1,714,387)	-	-
Proceeds from issuance of shares	99,284,774	10,234,859	99,284,774	10,234,859
Repayments on lease liability	(49,850)	-	-	-
Net cash generated from financing activities	<u>43,870,252</u>	<u>3,090,186</u>	<u>42,275,062</u>	<u>7,001,202</u>
Net increase in cash and cash equivalents	6,652,776	882,418	6,128,859	356,544
Cash and cash equivalents at beginning of the year	4,282,501	3,401,368	3,716,439	3,359,895
Foreign exchange translation reserve	(1,678)	(1,285)	-	-
Cash and cash equivalents at end of the year (Note 17)	<u>10,933,599</u>	<u>4,282,501</u>	<u>9,845,298</u>	<u>3,716,439</u>

NOTES TO THE FINANCIAL STATEMENTS

– 31 JULY 2021

1. PRINCIPAL ACTIVITIES AND GENERAL INFORMATION

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

The principal activity of the Company is investment holding. The principal activities of the subsidiary companies are as set out in *Note 8*. There were no significant changes in the nature of these activities during the financial year.

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

The address of the principal place of business of the Company is Level 3, Tower 11, Avenue 5, No.8, Jalan Kerinchi, Bangsar South 59200 Kuala Lumpur.

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 Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) and explanation of change in accounting policy

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year.

Amendments to MFRS 3	Definition of Business
Amendments to MFRS 4	Insurance Contracts
Amendments to MFRS 7, MFRS 9 and MFRS 139	Interest Rate Benchmark Reform

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation (“IC Int”) and explanation of change in accounting policy (cont'd)

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year. (cont'd)

Amendments to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 16	Leases (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current

The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

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:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

Amendments to MFRS 9, MFRS 7, MFRS 139, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
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MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 April 2021

Amendments to MFRS 16	Leases - Covid-19 Related Rent Concession beyond 30 June 2021
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

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: (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2022

Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 3	Business Combination - Reference to the Conceptual Framework
Amendments to MFRS 9	Financial Instruments (Annual Improvements to MFRSs 2018 - 2020 Cycle)
Amendments to MFRS 116	Property, plant and equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract
Amendments to MFRS 141	Agriculture (Annual Improvements to MFRSs 2018 - 2020 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
Amendments to MFRS 101	Presentation of Financial Statements – Disclosure of Accounting Policies
Amendments to MFRS 112	Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

The Group and the Company have adopted the following new MFRS, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year. (cont'd)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128 Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and of the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that effect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group'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 higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the financial statements are disclosed in Note 4.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates, and joint ventures used in the preparation of 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 structure 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 acquiree.

The financial statements of subsidiaries are included in the consolidated financial statements from the date 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 acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(a) *Subsidiaries and business combination (cont'd)*

The accounting policy for goodwill is set out in Note 3.7.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred equity to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combinations occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets and liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition 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 subsidiaries 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 an interest in the former subsidiaries, 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.

Changes in the Group's ownership interest in a subsidiary that do not result in loss of control 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(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) *Translations eliminated on consolidation*

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

Unrealised gains arising from transactions with equity-accounted associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, joint ventures and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Foreign currency transactions and operations

(a) *Translation of foreign currency transactions*

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions. All exchange differences are taken to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions and operations (cont'd)

(a) Translation of foreign currency transactions (cont'd)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non- controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 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 3.12(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. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

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, 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 Company and its 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 life (years)
Long term leasehold land	Over the remaining lease period
Buildings	50
Plant, machinery and equipment	5
Furniture and office equipment	5
Computers	3
Motor vehicles	5

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Property, plant and equipment (cont'd)

(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.

3.5 Leases

(a) Definition of lease

At inception of a contract, the Group 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 assess whether:

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

(b) Lessee accounting

At the lease commencement date, the Group 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 present right-of-use assets in Note 6 and lease liabilities in Note 22.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

Right-of-use asset (cont'd)

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 the Group expect 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 3.12(b).

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 use its incremental borrowing rate.

Lease payment 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Leases (cont'd)

Lease liability (cont'd)

The Group remeasures 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.

The Group has 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 has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group recognises 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Investment properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

Investment properties are initially measured at cost, including transaction costs.

Cost includes purchase price and any directly attributable costs incurred to bring the property to its present location and condition intended for use as an investment property. The cost of a self-constructed investment property includes the cost of material, direct labour and any other direct attributable costs.

An investment property is derecognised on its disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property carried at fair value to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, any difference arising on the date of change in use between the carrying amount of the item immediately prior to the transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment.

The Group uses the cost model to remeasure its investment properties after initial recognition. Accordingly, investment properties are stated 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 3.12(b).

All investment properties are depreciated on straight line bases by accounting their depreciable amounts and their remaining useful lives.

	Useful life (years)
Buildings	50

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

3.7 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initially recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the management is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

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

Any impairment loss on the disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and cash equivalents

For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances, deposits and other short term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.10 Property development costs

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

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

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

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

Property development costs not recognized as an expense are recognized as an asset, which is measured at the lower of cost and net realizable value.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments

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

Except for the trade receivables that do not contain a significant financing component of 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 has 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 risk 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 categories the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurements, 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 or losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains or losses upon derecognition
- Financial assets at fair value through profit or loss

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

(i) Financial assets (cont'd)

The Group and the Company reclassifies 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 and the Company's business model for managing the asset and the cash flow characteristics of the asset. These 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. Gains and losses are recognised in profit or loss when the financial asset is derecognized, modified or impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a).

- **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. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycle to profit or loss. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (cont'd)

(a) Subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Debt instruments (cont'd)

- **Fair value through profit or loss (FVPL)**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, 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 fair value through profit or loss, 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 fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements 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 measures all equity investments at fair value. Upon initial recognition, 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 or 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 benefits from such proceeds as a recovery of part of the cost of financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (cont'd)

(a) *Subsequent measurement (cont'd)*

(ii) Financial liabilities

The Group and the Company classifies its financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss 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 fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company has not designated any financial liability as at fair value through profit or loss.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (cont'd)

(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 less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) *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 has transferred its 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 has transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company has 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 evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has 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 continues to recognise the transferred asset to extent of their continuing involvement. In that case, the Group and the Company also recognises an associate liability. The transferred asset and the associate liability are measured on a basis that reflects the rights and obligations that the Group and the Company has 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial instruments (cont'd)

(c) Derecognition (cont'd)

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.

(d) Offsetting of financial instruments

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

In accounting for a transfer of financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.12 Impairment of assets

(a) Impairment of financial assets

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), lease receivables 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 losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (cont'd)

(a) *Impairment of financial assets (cont'd)*

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

- 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, 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 losses, the Group and the Company considers 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.

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

The Group and the Company considers 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 90 days past due unless the Group and the Company has 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 is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (cont'd)

(a) *Impairment of financial assets (cont'd)*

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 assesses 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. 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 statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Impairment of assets (cont'd)

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for deferred tax assets and investment properties measured at fair value) 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 of the Company makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or 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 exceed its recoverable amount, the carrying amount of 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 or 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.

Impairment losses in respect of goodwill are not reversed. For other asset 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of 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.

3.14 Share-based payments

Share-based payments of the Group and the Company are equity-settled share options granted to employees, for which an option pricing model is used to estimate the fair value at grant date. That fair value is charged on a straight-line basis as an expense in the profit or loss over the period that the employee becomes unconditionally entitled to the options (vesting period), with a corresponding increase in equity.

The number of such options is adjusted annually to reflect best estimates of those expected to vest (ignoring purely market-based conditions) with consequent changes to the expense. Equity is also increased by the proceeds receivable, as and when employees choose to exercise their options.

If the Group and the Company modify the terms and conditions on which the equity instruments were granted, as a minimum, the services received measured at the grant date fair value of the equity instruments granted (unless those equity instruments do not vest because of failure to satisfy a vesting condition other than a market condition) are charged to the profit or loss.

Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore the unrecognised remaining amount is recognised immediately in profit or loss.

3.15 Provisions

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Related parties

A party is related to an entity if: -

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Revenue and other income

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

The Group measures revenue at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties, 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 uses 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 expects 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 estimates it by using the expected cost plus margin approach.

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 has 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 has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects 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) *Sales of goods*

Revenue from sale of goods are recognised at a point in time when 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, which is consistent with market practice, therefore, no element of financing is deemed present. 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.

When consideration is collected from customer in advance for sale of goods, an advance from customers is recognised for the customer deposits. Advance from customers would be recognised as revenue upon sale of goods to the customer.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Revenue and other income (cont'd)

(b) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

(c) Interest income

Interest income is recognised using the effective interest method.

3.18 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 year, 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 years.

(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 statements 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, unused 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Income tax (cont'd)

(b) *Deferred tax (cont'd.)*

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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.

3.19 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 year where the employees have rendered their services to the Group and the Company.

(b) *Defined contribution plan*

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

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

3.21 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.22 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Chief Executive Officer of the Group, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decision.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.23 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.

3.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Depreciation of property, plant and equipment

As disclosed in Note 3.4, the Group and the Company review 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

The impairment provisions for financial assets is 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's and the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group and the Company use a provision matrix to calculate expected credit losses for trade receivables. The provision rates are depending 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 Group's and the Company's historical observed default rates. The Group and 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.

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(c) Measurement of income taxes

The Group and the Company operates in various jurisdictions and are subject to income taxes in each jurisdiction. Significant judgement is required in determining the Group's and the Company's estimation for current and deferred taxes because the ultimate tax liability for the Group and the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities in each jurisdiction, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group and 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 expense of the Group and the Company is disclosed in Note 31.

(d) Share-based payments

Share-based payments are measured at grant date fair value. For share options granted to employees, in many cases market prices are not available and therefore the fair value of the options granted shall be estimated by applying an option pricing model. Option pricing models need input data such as expected volatility of the share price, expected dividends or the risk-free interest rate for the life of the option.

The overall objective is to approximate the expectations that would be reflected in a current market or negotiated exchange price for the option. Such assumptions are subject to judgements and may turn out to be significantly different than expected.

Fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's and the Company's estimate of equity instruments that will eventually vest. The estimate of the number of equity instruments expected to vest is revised by the Group and the Company at the end of each reporting period through settlement. Revisions of the original estimates, if any, is recognised in profit or loss so that the cumulative expense includes the revised estimate, with the corresponding adjustment to the reserve for employee equity-settled benefits.

The carrying amount of share option reserve is disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

(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 not be recoverable 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 costs of disposal for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flows derived from that asset discounted at an appropriate discount rate. The Group and the Company use its judgement to decide the discount rates applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections, including forecast growth rates, inflation rates and gross profit margin. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's and the Company's financial positions and results if the actual cash flows are less than the expected.

The carrying amounts of the non-financial assets are disclosed in Notes 5, 6, 7, 8, 9, 10, 11 and 18.

(f) Determination of lease term

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

The Group has lease contract that include extension and termination options. The Group apply judgement in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. The Group and consider all relevant factors that create an economic incentive for them to exercise the renewal or termination. After the commencement date, the Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. The Group reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

<i>Group Cost</i>	Long term	Buildings	Plant, machinery and equipment	Furniture and office equipment	Computers	Motor vehicles	Total
	leasehold land RM	RM	RM	RM	RM	RM	RM
At 1 August 2019	1,306,800	4,533,326	856,809	153,558	333,152	858,461	8,042,106
Additions	-	-	-	-	4,318	300,000	304,318
Reclassification to non-current assets held for sale	(1,306,800)	(4,533,326)	-	-	-	-	(5,840,126)
At 31 July 2020 and 1 August 2020	-	-	856,809	153,558	337,470	1,158,461	2,506,298
Addition	-	-	-	15,600	6,555	-	22,155
Written off	-	-	(791,809)	-	(132,323)	-	(924,132)
At 31 July 2021	-	-	65,000	169,158	211,702	1,158,461	1,604,321

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

<i>Group</i>	Long term leasehold land RM	Buildings RM	Plant, machinery and equipment RM	Furniture and office equipment RM	Computers RM	Motor vehicles RM	Total RM
<i>Accumulated depreciation</i>							
At 1 August 2019	401,329	1,607,466	107,153	138,595	322,006	442,428	3,018,977
Charge for the financial year	21,778	90,668	10,833	4,247	4,863	166,414	298,803
Arising from acquisition of a subsidiary	-	-	28,167	-	-	-	28,167
Reclassification to non-current assets held for sale	(423,107)	(1,698,134)	-	-	-	-	(2,121,241)
At 31 July 2020	-	-	146,153	142,842	326,869	608,842	1,224,706
Charge for the financial year	-	-	13,000	6,587	6,762	226,413	252,762
Written off	-	-	(107,153)	-	(132,323)	-	(239,476)
At 31 July 2021	-	-	52,000	149,429	201,308	835,255	1,237,992

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	Long term	Buildings	Plant, machinery	Furniture and	Computers	Motor	Total
	leasehold land	RM	and equipment	office	RM	vehicles	RM
	RM	RM	RM	RM	RM	RM	RM
<i>Accumulated impairment losses</i>							
At 1 July 2019	169,125	546,494	684,656	-	-	-	1,400,275
Reclassification to non-current asset held for sale	(169,125)	(546,494)	-	-	-	-	(715,619)
At 30 July 2020 and 1 August 2020	-	-	684,656	-	-	-	684,656
Reversal of impairment losses	-	-	(684,656)	-	-	-	(684,656)
31 July 2021	-	-	-	-	-	-	-
<i>Net carrying amount</i>							
At 31 July 2021	-	-	13,000	19,729	10,394	323,206	366,329
At 31 July 2020	-	-	26,000	10,716	10,601	549,619	596,936

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Office equipment	Motor vehicles	Total
	RM	RM	RM
<i>Company</i>			
<i>Cost</i>			
At 1 August 2019	21,235	832,065	853,300
Additions	-	300,000	300,000
At 31 July 2020	21,235	1,132,065	1,153,300
Additions	15,600	-	15,600
At 31 July 2021	36,835	1,132,065	1,168,900
<i>Accumulated depreciation</i>			
At 1 August 2019	6,272	416,032	422,304
Charge for the financial year	4,247	166,414	170,661
At 31 July 2020 and 1 August 2020	10,519	582,446	592,965
Charge for the financial year	6,587	226,413	233,000
At 31 July 2021	17,106	808,859	825,965
<i>Net carrying amount</i>			
At 31 July 2021	19,729	323,206	342,935
At 31 July 2020	10,716	549,619	560,335

- a) Motor vehicles of the Group and of the Company with net carrying amount of RM295,477 (2020: RM466,430) are registered under the name of a director and held in trust by the director.

Impairment loss recognised

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. RIGHT-OF-USE ASSETS

The following table summarise the carrying amount of the Group's right-of-use asset and the movements during the year:

	Group	
	2021 RM	2020 RM
Building		
<i>Cost</i>		
At 1 August	-	-
Addition	123,399	-
At 31 July	<u>123,399</u>	<u>-</u>
<i>Accumulated depreciation</i>		
At 1 August	-	-
Charge for the financial year	35,257	-
At 31 July	<u>35,257</u>	<u>-</u>
<i>Net carrying amount</i>		
At 31 July	<u>88,142</u>	<u>-</u>

The Company lease building for their office space. The leases for office space generally have lease term of 2 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT PROPERTIES

<i>Group</i>	Buildings	Total
<i>Cost</i>	RM	RM
At 1 August 2019	-	-
Arising from acquisition of a subsidiary company	64,420,125	64,420,125
At 31 July 2020 and 1 August 2020	64,420,125	64,420,125
Additions	4,496,000	4,496,000
At 31 July 2021	68,916,125	68,916,125
 <i>Accumulated depreciation</i>		
At 1 August 2019	-	-
Arising from acquisition of a subsidiary company	3,757,841	3,757,841
Charge for the financial year	1,073,669	1,073,669
At 31 July 2020 and 1 August 2021	4,831,510	4,831,510
Charge for the financial year	1,387,903	1,387,903
At 31 July 2021	6,219,413	6,219,413
 <i>Net carrying amount</i>		
At 31 July 2021	62,696,712	62,696,712
At 31 July 2020	59,588,615	59,588,615

- a) The building is charged against bank borrowing (Note 21).
- b) The following are recognised in profit or loss in respect of investment properties:

	Group	
	2021	2020
	RM	RM
Rental income	1,529,231	1,591,956
Direct operating expenses	1,348,181	1,291,504

- c) The fair value of investment properties determined by external independent property valuers as at 18 August 2020 is amounted to RM83,400,000.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2021 RM	2020 RM
Unquoted shares in Malaysia, at cost		
At 1 August	46,061,016	28,704,118
Additions	9,912,467	17,356,898
At 31 July	<u>55,973,483</u>	<u>46,061,016</u>
<i>Less: Accumulated impairment losses</i>		
At 1 August	(9,139,168)	(9,139,168)
Charge for the financial year	(19,564,850)	-
At 31 July	<u>(28,704,018)</u>	<u>(9,139,168)</u>
	<u>27,269,465</u>	<u>36,921,848</u>

Details of the subsidiary companies are as follows:

Name of subsidiary companies	Country of incorporation	Effective equity interest		Principal activities
		2021	2020	
		%	%	
Avenue Escapade Sdn. Bhd.	Malaysia	100	60	Property investment holding
Daima Fujing New Energy Technology Sdn. Bhd.	Malaysia	100	100	Dormant
ETI Tech (M) Sdn. Bhd.	Malaysia	100	100	Trading, design and marketing of battery management system for rechargeable energy storage solutions
ETI Tech Homes Sdn. Bhd.	Malaysia	100	100	Dormant
ETI Tech International Sdn. Bhd.	Malaysia	100	100	Dormant
Pakadiri Sdn. Bhd.	Malaysia	100	100	Housing developer

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D)

Name of subsidiary companies	Country of incorporation	Effective equity interest		Principal activities
		2021	2020	
Proper Methods Sdn. Bhd.	Malaysia	100	100	Property development, construction and property investment
Trive Property Sdn. Bhd.	Malaysia	100	100	Dormant
Trive Energy Technology Holdings Limited *	Hong Kong	100	100	Dormant

* Subsidiary company not audited by CHENGCO PLT

Impairment loss recognised

Impairment loss was provided for investment in subsidiary companies in which these subsidiary companies had accumulated losses and had deficits in their shareholders' equity. The forecasted financial position, performance and cash flows of these subsidiary companies were not able to generate sufficient recoverable amount to justify the carrying amount of the investment in these subsidiary companies.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. DEVELOPMENT EXPENDITURE

	Group	
	2021	2020
	RM	RM
<i>Cost</i>		
1 August / 31 July	<u>34,192,852</u>	<u>34,192,852</u>
<i>Accumulated depreciation</i>		
1 August / 31 July	<u>16,142,746</u>	<u>16,142,746</u>
<i>Accumulated impairment losses</i>		
1 August / 31 July	<u>18,050,106</u>	<u>18,050,106</u>
<i>Net carrying amount</i>		
At 31 July	<u><u>-</u></u>	<u><u>-</u></u>

Impairment losses recognised

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. GOODWILL ON CONSOLIDATION

	Group	
	2021	2020
	RM	RM
		(Restated)
<i>Cost</i>		
At 1 August	22,778,809	15,726,581
Additions	-	7,052,228
At 31 July	22,778,809	22,778,809
<i>Accumulated impairment losses</i>		
At 1 August	(3,361)	(3,361)
Charge for the financial year	(15,723,220)	-
At 31 July	(15,726,581)	(3,361)
<i>Net carrying amount</i>		
At 31 July	7,052,228	22,775,448

Goodwill acquired in a business combination is allocated to the cash-generating unit ("CGU") that is expected to benefit from that business combination.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. PROPERTY DEVELOPMENT COST

	Group	
	2021 RM	2020 RM (Restated)
<i>Leasehold land, at cost</i>		
At 1 August / 31 July	2,500,000	2,500,000
<i>Development costs</i>		
At 1 August / 31 July	<u>26,278,912</u>	<u>26,278,912</u>
	<u>28,778,912</u>	<u>28,778,912</u>
<i>Accumulated impairment losses</i>		
At 1 August	-	-
Charge for the financial year	<u>(26,278,912)</u>	<u>-</u>
At 31 July	<u>(26,278,912)</u>	<u>-</u>
<i>Net carrying amount</i>		
At 31 July	<u><u>2,500,000</u></u>	<u><u>28,778,912</u></u>

Impairment losses recognised

Impairment losses were provided for property development costs due to management have not intention to develop the land.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. TRADE RECEIVABLES

	Group	
	2021 RM	2020 RM
Trade receivables	9,497,878	4,021,022
<i>Less: Accumulated impairment losses</i>	<i>(205,291)</i>	<i>-</i>
	<u>9,292,587</u>	<u>4,021,022</u>

The Group's normal trade credit terms granted to trade receivables ranged from 30 to 150 days (2020: 30 to 150 days). Other credit terms are assessed and approved on a case-by-case basis.

Movements of the accumulated impairment losses (individually impaired):

	Group	
	2021 RM	2020 RM
At 1 August	-	-
Charge for the financial year	205,291	-
At 31 July	<u>205,291</u>	<u>-</u>

The information about the credit exposures is disclosed in Note 36(b)(i).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. OTHER RECEIVABLES AND DEPOSITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other receivables	17,512,846	20,576,652	68,521	79,850
Less Accumulated impairment losses	(16,443,739)	(16,352,912)	(45,866)	(45,866)
	1,069,107	4,223,740	22,655	33,984
Deposits	25,670	30,299	-	-
Prepayments	2,250,000	-	-	-
	<u>3,344,777</u>	<u>4,254,039</u>	<u>22,655</u>	<u>33,984</u>

Movements of the accumulated impairment losses (individually impaired):

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
At 1 August	16,352,912	16,352,912	45,866	45,866
Charge for the financial year	<u>90,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July	<u>16,443,739</u>	<u>16,352,912</u>	<u>45,866</u>	<u>45,866</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	Company	
	2021	2020
	RM	RM
Non-trade	155,544,838	95,992,795
Less: Accumulated impairment losses	(91,381,364)	(86,495,488)
	64,163,474	9,497,307

Amount due from subsidiary companies are non-trade in nature, unsecured, interest-free and recoverable on demand.

Movements of the accumulated impairment losses (individually impaired):

	Company	
	2021	2020
	RM	RM
At 1 August	86,495,488	86,495,488
Additions	4,885,876	-
At 31 July	91,381,364	86,495,488

15. OTHER INVESTMENT

	Group / Company	
	2021	2020
	RM	RM
Short-term investment		
Investment in quoted shares in Malaysia (at cost)	6,730,379	-
Less: Impairment losses	(5,889,082)	-
Net value of investment	841,297	-

Investments in quoted share is acquired under the name of director on the Company's behalf and held in trust by the director.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. FIXED DEPOSITS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Financial Institution	1,891,291	1,865,744	150,331	151,357
Non Financial Institution	15,144,247	-	15,144,247	-
At 30 July	<u>17,035,538</u>	<u>1,865,744</u>	<u>15,294,578</u>	<u>151,357</u>

The fixed deposits with financial and non-financial institution earn effective interest at rates 1.85% (2020: 1.85%) and 1.95% (2020: 2.25%) respectively and per annum and have maturity 12 months (2020: 1 month to 12 months) and 6 months (2020: 6 months) respectively.

The fixed deposits of the Group and of the Company with carrying amount of RM15,144,247 is register under the name of a director and held in trust by the director.

17. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand	1,816	1,816	-	-
Cash in bank	10,931,783	4,280,685	9,845,298	3,716,439
	<u>10,933,599</u>	<u>4,282,501</u>	<u>9,845,298</u>	<u>3,716,439</u>

For the purpose of presenting the statement of cash flow, cash and cash equivalent comprise the following:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash and bank balances	10,933,599	4,282,501	9,845,298	3,716,439
Fixed deposits	17,035,538	1,865,744	15,294,578	151,357
	27,969,137	6,148,245	25,139,876	3,867,796
Less: Fixed deposits pledged				
to bank	(1,740,960)	(1,714,387)	-	-
Short term fixed deposits	(15,294,578)	(151,357)	(15,294,578)	(151,357)
At 31 July	<u>10,933,599</u>	<u>4,282,501</u>	<u>9,845,298</u>	<u>3,716,439</u>

Fixed deposit with financial institution amounting to RM1,740,960 (2020: RM1,714,387) are pledged as security for credit facilities (Note 21).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2021 RM	2020 RM
At 1 August	2,850,000	-
Reclassification from property, plant and equipment	-	3,003,266
Impairment losses charge for current financial year	-	(153,266)
Reversal of impairment losses	153,266	-
Disposal	<u>(3,003,266)</u>	-
At 31 July	<u>-</u>	<u>2,850,000</u>

19. SHARE CAPITAL

	Group and Company			
	2021 Number of ordinary shares	2020 Number of ordinary shares	2021 RM	2020 RM
Issued and fully paid:				
At 1 August	3,760,832,653	2,346,490,553	89,835,495	79,600,636
Issuance of shares capital:				
Pursuant to private placement	-	1,008,990,100	-	6,601,088
Pursuant to exercise of warrants	1,749	-	169	-
Pursuant to ESOS	-	405,352,000	-	3,633,771
Pursuant to Rights Issues with				
Warrants	902,587,320	-	83,466,023	-
Share consolidation	<u>(3,610,403,182)</u>	-	-	-
At 31 July	<u>1,053,018,540</u>	<u>3,760,832,653</u>	<u>173,301,687</u>	<u>89,835,495</u>

During the financial year, the Company increased its issue share capital from RM89,835,495 to RM173,301,687 by way of:

- a) issuance of 1,166 new ordinary shares as a result of the exercise of Warrants A by the registered holders of the Warrants A at an exercise price of RM0.10 per ordinary shares.
- b) issuance of 583 new ordinary shares as a result of the exercise of Warrants B by the registered holders of the Warrants B at an exercise price of RM0.09 per ordinary shares.
- c) completed the share consolidation of every 25 ordinary shares in the Company into 1 ordinary share following the issuance of 150,431,220 consolidated shares to the shareholders on the main market of Bursa Securities.
- d) issuance of 902,587,320 new ordinary shares ("Rights Shares") in the Company at an issue price of RM0.11 per Rights Share pursuant to Rights Issues with Warrants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. SHARE CAPITAL (CONT'D)

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

The holders of the ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual asset.

20. OTHER RESERVES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-distributable				
Other reserves:				
ESOS reserve	1,012,896	1,012,896	1,012,896	1,012,896
Warrant reserve	15,818,582	-	15,818,582	-
Foreign currency translation reserve	7,136	8,814	-	-
	<u>16,838,614</u>	<u>1,021,710</u>	<u>16,831,478</u>	<u>1,012,896</u>
Accumulated losses	<u>(92,690,190)</u>	<u>(18,223,399)</u>	<u>(75,875,506)</u>	<u>(40,309,539)</u>
	<u>(75,851,576)</u>	<u>(17,201,689)</u>	<u>(59,044,028)</u>	<u>(39,296,643)</u>

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

a) Foreign currency translation reserve

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. BANK BORROWINGS

	Group	
	2021	2020
	RM	RM
Non-current liabilities secured:		
- Term loan	-	47,946,637
Current liabilities secured:		
- Term loan	-	3,649,788
	-	51,596,425

As at 31 July 2021, the Company have bank facilities amounted to Nil (2020: RM61,500,000).

The bank borrowings are secured by the way of:

- a) Joint and several guarantee by the directors of the Company and third party; and
- b) First charge over the Company's investment properties (Note 7); and
- c) Fixed deposits with licensed bank (Note 16)

Term loan interest is at 2021: Nil (2020: 5.25%) per annum.

22. LEASE LIABILITY

The following table summarises the carrying amount of the Company's lease liabilities and the movements during the financial year.

	Group	
	2021	2020
	RM	RM
<i>Representing:</i>		
Current	62,765	-
Non-current	10,784	-
	73,549	-
<i>Recognised in profit or loss:</i>		
Interest expense on lease liabilities	4,425	-

The total cash outflow for leases for the financial year ended 31 July 2021 is RM49,850 (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. TRADE PAYABLES

	Group	
	2021 RM	2020 RM
Trade payables	10,043,981	6,522,016

The normal trade credit terms granted by trade payables to the Group ranged from 30 to 150 days (2020: 30 to 150 days).

24. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Other payables	4,663,788	3,074,670	747,257	145,353
Accruals	705,534	178,920	102,000	101,000
Deposits received	511,324	-	-	-
	<u>5,880,646</u>	<u>3,253,590</u>	<u>849,257</u>	<u>246,353</u>

25. AMOUNT DUE TO DIRECTORS / SUBSIDIARY COMPANIES

Amount due to directors/subsidiary companies are non-trade in nature, unsecured, interest-free and repayable on demand.

26. REVENUE

	Group	
	2021 RM	2020 RM
Sale and design of solar products	8,316,100	2,795,688
Rental income	1,529,231	1,591,956
	<u>9,845,331</u>	<u>4,387,644</u>
Timing of recognition:		
At a point in time	<u>9,845,331</u>	<u>4,387,644</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. COST OF SALES

	Group	
	2021 RM	2020 RM
Sale and design of solar products	7,878,600	2,695,033
Direct operating expenses	1,348,181	1,291,504
	9,226,781	3,986,537

28. OTHER OPERATING INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Deposits forfeited	18,392	-	-	-
Fair value gain on investment in quoted shares	-	1,942,005	-	1,942,005
Interest income	180,915	42,828	150,790	198
Other income	56,606	6,106	-	6,106
Reversal of impairment of property, plant and equipment	684,656	-	-	-
Reversal of impairment losses on non-current assets held for sale	153,266	-	-	-
Write back of other payables	-	38,696	-	38,696
	1,093,835	2,029,635	150,790	1,987,005

29. FINANCE COSTS

	Group	
	2021 RM	2020 RM
Bank borrowing interest	3,827,085	1,527,434
Interest on lease liability	4,425	-
	3,831,510	1,527,434

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. LOSS BEFORE TAX

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
<i>Loss before taxation is stated after charging:</i>				
Auditors' remuneration				
- statutory audit	180,000	169,000	98,000	97,000
Depreciation of property, plant and equipment (Note 5)	252,762	298,803	233,000	170,661
Depreciation of investment properties (Note 7)	1,387,903	1,073,669	-	-
Depreciation of right-of-use assets (Note 6)	35,257	-	-	-
Fair value loss on investment in quoted shares	5,889,082	-	5,889,082	-
Impairment losses on:				
- amount due from subsidiary companies	-	-	4,885,876	-
- goodwill	15,723,220	-	-	-
- investment in subsidiary companies	-	-	19,564,850	-
- other receivables	90,827	-	-	-
- non-current assets held for sale	-	153,266	-	-
- property development cost	26,278,912	-	-	-
- trade receivables	205,291	-	-	-
Loss on disposal of investment in quoted shares	-	1,781,061	-	1,781,061
Loss on disposal of non-current assets held for sale	153,266	-	-	-
Staff costs (Note 33)	961,678	696,844	312,000	151,582
Written-off of other receivables	-	75,081	-	75,081
Written of property, plant and equipment	684,656	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. TAX EXPENSE

(a) Major components of tax expense

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Malaysia income tax:				
- current year's provision	46,100	-	34,400	-
- under provision in prior financial year	30,941	17,743	7,184	-
- real property gain tax	76,269	-	-	-
	<u>153,310</u>	<u>17,743</u>	<u>41,584</u>	<u>-</u>

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

Taxation for other jurisdiction is calculated at the rates prevailing in the respective jurisdictions. There was no tax for the foreign subsidiary company in Hong Kong as it is in tax loss position for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. TAX EXPENSE (CONT'D)

(b) Relationship between tax expense and accounting loss

The reconciliation from the tax amount of the statutory income tax rate to the Group's and Company's tax expenses are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Loss before tax	<u>(58,832,108)</u>	<u>(5,463,297)</u>	<u>(35,524,383)</u>	<u>(1,888,022)</u>
Tax calculated at statutory tax rate of 24%	(14,119,706)	(1,311,191)	(8,525,852)	(453,125)
Tax effect of expenses not deductible for tax purposes	13,773,030	1,311,191	8,560,252	453,125
Income not subject to tax	(213,341)	-	-	-
Real property gain tax	76,269	-	-	-
Under provision in prior financial year	30,941	17,743	7,184	-
Deferred tax assets not recognised during the financial year	606,117	-	-	-
	<u>14,273,016</u>	<u>1,328,934</u>	<u>8,567,436</u>	<u>453,125</u>
	<u>153,310</u>	<u>17,743</u>	<u>41,584</u>	<u>-</u>

The amount of temporary differences of which no deferred tax assets have been recognised in the statements of financial position are as follows:

	Group	
	2021 RM	2020 RM
Unutilised capital allowances	(6,208)	(2,113,329)
Unabsorbed tax losses	4,323,308	3,957,477
Other temporary differences	762,826	710,290
	<u>5,079,926</u>	<u>2,554,438</u>

Deferred tax assets have not been recognised in respect of these items as it is not probable that the future taxable profits of the Group or of the Company will be available against which the deductible temporary differences can be utilised.

Unutilised tax losses arising from year of assessment 2021 can be carried forward for a period of 7 years for net off against future taxable profits. However, unutilised tax losses which arise up to year of assessment 2021 to be utilised up to the year of assessment 2028.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. LOSS PER SHARE

Basic loss per share is calculated by dividing the Group's loss attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021	2020
Loss for the financial year attributable to owners of the Company (RM)	<u>(57,044,446)</u>	<u>(4,613,626)</u>
Weighted average number of ordinary shares in issue (unit)	<u>722,073,587</u>	<u>2,615,662,229</u>
Loss per share (sen) :		
Basic and diluted	<u>(7.90)</u>	<u>(0.18)</u>

The diluted loss per share is equivalent to the basic loss per share as the Company does not have any dilutive potential ordinary shares during the financial year. The Company's warrants are anti-dilutive for the financial year under review.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. STAFF COSTS

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Salaries and wages	877,823	653,997	312,000	151,582
Defined contribution plan	71,322	35,614	-	-
Other employee benefits	12,533	7,233	-	-
	<u>961,678</u>	<u>696,844</u>	<u>312,000</u>	<u>151,582</u>

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

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Directors' remuneration - fees	<u>312,000</u>	<u>151,582</u>	<u>56,250</u>	<u>151,582</u>

34. RELATED PARTIES

(a) Identify of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control 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 and the Company include:

- (i) Entities in which directors have substantial financial interests; and
- (ii) Key management personnel of the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. RELATED PARTIES (CONT'D)

(b) Compensation of key management personnel

Key management personnel comprise executive directors of the Group and of the Company which their compensation has been disclosed in Note 33 to the financial statements.

35. OPERATING SEGMENTS

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

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

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

Business Segments

Group 2021	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
Revenue							
External revenue	8,316,100	-	-	1,529,231	-	-	9,845,331
Results							
Segment results	(25,377,958)	(26,296,381)	(35,675,173)	(1,199,406)	(98,314)	33,465,719	(55,181,513)
Interest expense	(4,425)	-	-	(3,827,085)	-	-	(3,831,510)
Interest income	-	-	150,790	30,125	-	-	180,915
Loss before tax	(25,382,383)	(26,296,381)	(35,524,383)	(4,996,366)	(98,314)	33,465,719	(58,832,108)
Tax expense	(76,269)	-	(41,584)	(35,457)	-	-	(153,310)
Loss after tax	(25,458,652)	(26,296,381)	(35,565,967)	(5,031,823)	(98,314)	33,465,719	(58,985,418)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

Business Segments

Group 2021	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
Assets							
Segment assets	11,476,404	2,533,354	111,779,712	66,747,845	2,463,516	(80,849,622)	114,151,209
Other information							
Depreciation of:							
- property, plant and equipment	6,204	558	233,000	13,000	-	-	252,762
- right-of-use asset	35,257	-	-	-	-	-	35,257
- investment property	-	-	-	1,387,903	-	-	1,387,903
Fair value loss on investment in quoted shares	-	-	5,889,082	-	-	-	5,889,082
Impairment losses on:							
- goodwill	-	-	15,723,220	-	-	-	15,723,220
- other receivables	-	-	90,827	-	-	-	90,827
- property development cost	-	26,278,912	-	-	-	-	26,278,912
- trade receivables	-	-	-	205,291	-	-	205,291
Loss on disposal of non-current assets held for sale	153,266	-	-	-	-	-	153,266

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

Business Segments

Group 2021	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
Other information (cont'd)							
Reversal of impairment losses on on non-current asset holds for sale	(153,266)	-	-	-	-	-	(153,266)
Reversal of impairment of property, plant and equipment	(684,656)	-	-	-	-	-	(684,656)
Written off of property, plant and equipment	684,656	-	-	-	-	-	684,656

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

Business Segments

Group 2020	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
Revenue							
External revenue	2,795,688	-	-	1,591,956	-	-	4,387,644
Results							
Segment results	(1,265,041)	(123,412)	(1,888,022)	(666,187)	(36,029)	-	(3,978,691)
Interest expense	-	-	-	(1,527,434)	-	-	(1,527,434)
Interest income	-	-	-	42,828	-	-	42,828
Loss before tax	(1,265,041)	(123,412)	(1,888,022)	(2,150,793)	(36,029)	-	(5,463,297)
Tax expense	-	-	-	(17,743)	-	-	(17,743)
Loss after tax	(1,265,041)	(123,412)	(1,888,022)	(2,168,536)	(36,029)	-	(5,481,040)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

Business Segments

Group 2020	Trading RM	Construction RM	Investment holding RM	Property investment RM	Others RM	Elimination RM	Total RM
Assets							
Segment assets	31,045,676	28,864,011	50,881,270	66,615,499	2,463,516	(50,856,755)	129,013,217
Other information							
Depreciation of:							
- property, plant and equipment	116,751	558	170,661	10,833	-	-	298,803
- investment property	-	-	-	1,073,669	-	-	1,073,669
Impairment losses on:							
- non-current assets held for sale	153,266	-	-	-	-	-	153,266
Written off of other receivables	-	-	75,081	-	-	-	75,081
Write back of other payables	-	-	(38,696)	-	-	-	(38,696)
Loss on disposal of quoted shares	-	-	1,781,061	-	-	-	1,781,061
Fair value gain on quoted shares	-	-	(1,942,005)	-	-	-	(1,942,005)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

35. OPERATING SEGMENTS (CONT'D)

Geographical information

	Revenue		Group Non-current asset	
	2021	2020	2021	2020
	RM	RM	RM	RM
Malaysia	9,845,331	4,387,644	70,203,411	82,960,999

Information about major customers

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

	Group	
	2021	2020
	RM	RM
Customer I	8,316,100	2,795,688

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. 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:

- (i) Fair value through profit or loss ("FVPL")
- (ii) Amortised cost ("AC")
- (iii) Fair value through other comprehensive income ("FVOCI")

2021	Group RM	Company RM
Financial assets		
<u>At fair value through profit or loss</u>		
Other investment	841,297	841,297
<u>At amortised cost</u>		
Trade receivables	9,292,587	-
Other receivables and deposits	1,094,777	22,665
Amount due from subsidiary companies	-	64,163,474
Fixed deposits	17,035,538	15,294,578
Cash and bank balances	10,933,599	9,845,298
	<u>38,356,501</u>	<u>89,326,015</u>
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	10,043,981	-
Other payables	5,175,112	747,257
Amount due to directors	664,785	191,297
Lease liability	73,549	-
	<u>15,957,427</u>	<u>938,554</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

2020	Group RM	Company RM
Financial assets		
<u>At amortised cost</u>		
Trade receivables	4,021,022	-
Other receivables and deposits	4,254,039	33,984
Amount due from subsidiary companies	-	9,497,307
Fixed deposits	1,865,744	151,357
Cash and bank balances	4,282,501	3,716,439
	<u>14,423,306</u>	<u>13,399,087</u>
Financial liabilities		
<u>At amortised cost</u>		
Trade payables	6,522,016	-
Other payables	3,074,670	145,353
Amount due to directors	574,949	96,065
Bank borrowings	51,596,425	-
	<u>61,768,060</u>	<u>241,418</u>

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency 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 Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's directors. The audit committee provides independent oversight to the effectiveness of the risk management process.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(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 and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments. 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. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

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

At the end of the financial period, the Group has a significant concentration of credit risk in the form of one (1) (2020: one (1)) trade receivables, representing approximately 97% (2020: 90%) of the Company's trade receivables. The Company has no significant concentration of credit risks except for advances to its subsidiary companies and corporate guarantees to licensed banks on subsidiary company's credit facilities.

The Group applies the simplified approach to providing for loss allowance for impairment prescribed by MFRS 9, which permits the use of the lifetime expected credit losses 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

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

	Group	
	2021 RM	2020 RM
Not past due	69,357	1,106,370
Past due but not impaired:		
- 1 to 30 days	1,004,853	-
- 31 to 90 days	41,892	49,991
- more than 90 days	8,381,776	2,864,661
	9,428,521	2,914,652
Impaired		
- individually assessed	(161,207)	-
- collectively assessed	(44,084)	-
	(205,291)	-
	9,292,587	4,021,022

Other receivables and financial assets

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(i) Credit risk (cont'd)

The Group and the Company consider 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 and the Company compare 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 borrower'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 120 days past due in making a contractual payment.

Some intercompany loans between entities within the Group 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.

As at the end of the reporting date, the Group and the Company did recognise loss allowance for impairment for other receivables. Refer to Note 3.12(a) for the Group's and the Company's other accounting policies for impairment of financial assets.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(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 arise principally from trade and other payables, loans 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 and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

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:

<i>Group</i>	Carrying amount RM	Contractual interest rate %	Contractual undiscounted cash flows RM	On demand or within 1 year RM	1 - 5 years RM	More than 5 years RM
2021						
Trade payables	10,043,981		10,043,981	10,043,981	-	-
Other payables and accruals	5,880,646		5,880,646	5,880,646	-	-
Amount due to directors	664,785		664,785	664,785	-	-
Lease liability	73,549	5.25%	75,985	65,130	10,855	-
	<u>16,662,961</u>		<u>16,665,397</u>	<u>16,654,542</u>	<u>10,855</u>	<u>-</u>
2020						
Trade payables	6,522,016		6,522,016	6,522,016	-	-
Other payables and accruals	3,253,590		3,253,590	3,253,590	-	-
Amount due to directors	574,949		574,949	574,949	-	-
Bank borrowings	51,596,425	5.25%	55,726,812	6,271,608	49,455,204	-
	<u>61,946,980</u>		<u>66,077,367</u>	<u>16,622,163</u>	<u>49,455,204</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(ii) Liquidity risk (cont'd)

Maturity analysis

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

<i>Company</i>	Carrying amount RM	Contractual undiscounted cash flows RM	On demand or within 1 year RM
2021			
Other payables and accruals	849,257	849,257	849,257
Amount due to directors	191,297	191,297	191,297
Amount due to subsidiary companies	2,447,099	2,447,099	2,447,099
	3,487,653	3,487,653	3,487,653
2020			
Other payables and accruals	246,353	246,353	246,353
Amount due to directors	96,065	96,065	96,065
	342,418	342,418	342,418

(iii) Foreign currency risk

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

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

	2021 Hong Kong Dollar RM	2020 Hong Kong Dollar RM
Balances recognised in the statement of financial position		
Other payables	10,865	10,949

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(iii) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The Group's principal foreign currency exposure relates mainly to Hong Kong Dollar ("HKD").

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

	Change in basis point	Effect in profit for the financial year RM	Effect on equity RM
31 July 2021	+ 15	(1,248)	(1,248)
	- 15	1,248	1,248
31 July 2020	+ 15	(1,234)	(1,234)
	- 15	1,234	1,234

(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 exposures to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group's policy to manage their interest rate risk is to hedge all material floating rate borrowings using interest rate swaps.

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 year.

	Change in basis point	Effect in profit for the financial year RM	Effect on equity RM
31 July 2020	+ 50	1,029,349	1,029,349
	- 50	(1,029,349)	(1,029,349)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(v) Market price risk

Market price 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 price (other than interest or exchange rates).

The Group's and the Company's investments in quoted equity instruments are subject to market price risk.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably change in the FTSE Bursa Malaysia KLCI ("FBM KLCI"), with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in % of FBMKLCI	Effect in profit for the financial year RM	Effect on equity RM
31 July 2021	+ 10	84,128	84,128
	- 10	(1,029,349)	(84,128)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value measurement

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

- (i) Quoted shares in fair value through profit or loss (“FVTPL”) financial assets

Quoted shares in FVTPL financial assets are carried at fair value by reference to their quoted closing prices at the end of the reporting period.

Other long-term financial assets and liabilities are reasonable approximation of fair value because they are floating are instruments which are re-priced to market interest rates or estimated by discounting future cash flows using current lending rates for similar types or arrangements.

It is not practical to determine the fair value of finance lease liabilities which are at fixed rate due to lack of market information of comparable instruments with similar characteristic and risk profile.

The following table provides the fair value measurement hierarchy of the Group’s financial instruments.

	Group	
	2021	2020
	RM	RM
<u>Level 1</u>		
Other investment	841,297	-

Policy on transfer between levels

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

There was no transfer between the fair value measurement hierarchy.

Transfer between Level 1 and Level 2

There have been no transfers between Level 1 and Level 2 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their 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 years ended under review.

The Company monitors capital using gearing ratio. The gearing ratio is calculated as total debts divided by equity attributable to the owners of the Company. The gearing ratio at 31 July 2020 and 31 July 2021 are as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Trade payables	10,043,981	6,522,016	-	-
Other payables and accruals	5,880,646	3,253,590	849,257	246,353
Amount owing to directors	664,785	574,949	191,297	96,065
Bank borrowings	-	51,596,425	-	-
Lease liability	73,549	-	-	-
	<u>16,662,961</u>	<u>61,946,980</u>	<u>1,040,554</u>	<u>342,418</u>
<i>Less:</i>				
Fixed deposits	(17,035,538)	(1,865,744)	(15,294,578)	(151,357)
Cash and bank balances	<u>(10,933,599)</u>	<u>(4,282,501)</u>	<u>(9,845,298)</u>	<u>(3,716,439)</u>
Net debt	<u>(11,306,176)</u>	<u>55,798,735</u>	<u>(24,099,322)</u>	<u>(3,525,378)</u>
Total equity	<u>97,450,111</u>	<u>67,064,900</u>	<u>114,257,659</u>	<u>50,538,852</u>
Total capital	<u>86,143,935</u>	<u>122,863,635</u>	<u>90,158,337</u>	<u>47,013,474</u>
Gearing ratio	<u>(0.13)</u>	<u>0.45</u>	<u>(0.27)</u>	<u>(0.07)</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

38. CONTINGENT LIABILITY

	Group	
	2021	2020
	RM	RM
Legal claim assessed as possible	1,951,327	-

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- a) On 11 March 2020, the World Health Organisation declared the Coronavirus (“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 operate.

The Group and the Company are unable to reasonably estimate the financial impact of COVID-19 for the financial year ending 31 July 2021 to be disclosed in the financial statements as the situation is still evolving and the uncertainty of the outcome of the current events. It is however certain that the local and worldwide measures against the spread of the COVID-19 will have adverse effects on the Group’s and the Company’s sales, operations and supply chains. The Group and the Company will continuously monitor the impact of COVID-19 on its operations and its financial performance. The Group and the Company will also be taking appropriate and timely measures to minimise the impact of the outbreak on the Group’s and the Company’s operations.

- b) On 7 October 2020, the Company announced multiple proposals which include proposed acquisition, proposed share consolidation and proposed rights issue with warrants. The Company proposed acquisition of the remaining 40% equity interest in Avenue Escapade Sdn. Bhd., an existing 60% owned-subsiary of the Company, for a total consideration of RM9,912,467 to be satisfied entirely in cash (“Proposed Aquisition”). The company proposed consolidation of every 25 existing ordinary shares in Trive into 1 share (“Consolidated Share”) (“Proposed Share Consolidation”). The Company proposed renounceable rights issue of up to 911,041,056 new Shares (“Rights Shares”) together with up to 531,440,616 free detachable warrants in Trive (“Warrants C”) on the basis of 12 Rights Shares together with 7 free Warrants C for every 2 Consolidated Shares held by the entitled shareholders of the Company on an entitlement date to be determined (“Entitled Shareholders”) (“Entitled Date”) (“Proposed Rights Issue with Warrants”).
- c) On 23 December 2020, the Company announced that its existing number of 3,760,834,402 shares will be consolidated into 150,431,220 consolidated shares pursuant to share consolidation.
- d) On 24 December 2020, the Company announced that the Share Consolidation has been computed following the listing and quotation of 150,431,220 consolidated shares on the Main Market of Bursa Securities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

- e) On 23 December 2020, the Company announced the disposal of property by ETI Tech (M) Sdn. Bhd., a wholly-owned subsidiary of the Company had been completed.
- f) On 6 January 2021, the Company announced the Company has resolved to fix the issue price of the Rights Shares at RM0.11 per Right Share ("Issue Price") and the exercise price of the Warrants C at RM0.11 per Warrant C ("Exercise Price").
- g) On 24 February 2021, the Company announced that the Rights Issue with Warrants has been completed following the listing and quotation of 902,587,320 Rights Shares and 526,509,027 Warrants C on the Main Market of Bursa Securities.

40. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

- a) On 23 September 2021, the Company announced that they served with a Writ of Summon and Statement of Claims dated 23 August 2021 issued by the High Court of Kuala Terengganu in relation to the claims filed by the Plaintiff through a firm of lawyer acting on behalf.

According to the Statement of Claims, the Plaintiff, a former shareholder of Pakadiri Sdn. Bhd. ("PSB"), a wholly-owned subsidiary of the Company had entered into a Share Sale Agreement dated 06 September 2016 ("SSA") with Trive for the sale of his equity interest in PSB to the Company for a total consideration of RM12,404,317.42.

According to the Plaintiff, Trive had vide its letter dated 12 January 2017 agreed to pay the real property gains tax ("RPGT") or any taxes arising from the SSA. On 21 July 2019, the Plaintiff had received a Notice of Assessment from the Inland Revenue Board ("IRB") that the RPGT sum was RM1,951,327.40 ("Outstanding Sum").

The Plaintiff then seeks against the Defendant for the following: -

1. The Outstanding Sum;
2. Interest at the rate of 5% per annum on the Outstanding Sum from the date of Notice of Assessment dated 21 July 2019 until the date of filing of the Writ;
3. Interest at the rate of 5% per annum on the amount ordered by the Court from the date of filing of the Writ until the date of full settlement;
4. Costs; and
5. Other reliefs that the Court deems fit and proper to grant.

The contingent liability has been disclosed in Note 38 to the financial statements.

- b) On 20 October 2021, the Company wishes to inform that the Plaintiff and Defendant have agreed not to proceed further with the case subject to an appeal be made to the Inland Revenue Board in respect of the Notice of Assessment dated 21 July 2019 within a period of 6 months.
- c) On 15 November 2021, the Company announced that Bursa Securities had approved the listing and quotation of up to 342,934,900 new ordinary shares to be issued pursuant to the Private Placement.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

41. PRIOR YEAR ADJUSTMENTS AND CHANGES IN COMPARATIVES

- a) In prior financial year, the Group had wrongly recognized the goodwill on consolidation from the acquisition of Pakadiri Sdn. Bhd. as revaluation surplus which group under development costs. The error has been corrected by restating each of the affected financial statements line items for the prior periods, as shown below.

The calculation of goodwill on consolidation is as follows:

	RM
Consideration transferred	19,565,046
Net asset acquired as represented by :	
Share capital	(250,000)
Accumulated losses	<u>(3,591,826)</u>
Goodwill on consolidation	<u><u>15,723,220</u></u>

These adjustments and changes in certain comparative amounts to conform with the current year financial statements presentation for the group are as follows:

	As previously stated RM	Effects of prior year adjustments RM	As restated RM
At as 31 July 2020			
Statement of financial position			
Assets			
Goodwill on consolidation	7,052,228	15,723,220	22,775,448
Property development cost	44,502,132	(15,723,220)	<u>28,778,912</u>
At as 31 July 2019			
Statement of financial position			
Assets			
Goodwill on consolidation	-	15,723,220	15,723,220
Property development cost	44,502,132	(15,723,220)	<u>28,778,912</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

42. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements for the financial year ended 31 July 2021 were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 24 November 2021.

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PROXY FORM

Number of Shares Held	CDS ACCOUNT NO.												
				-			-						

TRIVE PROPERTY GROUP BERHAD

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

*I/We (*NRIC No./Passport No./ Company No.....)
(Full Name in Block Letters)

of
(Address)

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

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

*and/or

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

or failing whom, the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 15th Annual General Meeting ("AGM") of the Company to be held virtually through live streaming and online participation and voting using Remote Participation and Voting ("RPV") facilities from the Broadcast Venue at Sanichi Tower, Level 7, Tower 11, Avenue 5, Bangsar South, 8, Jalan Kerinchi, 59200 Kuala Lumpur on Thursday, 27 January 2022 at 11.00 a.m. and at any adjournment thereof.

ORDINARY RESOLUTIONS		IN FAVOUR	AGAINST
1	To re-elect Dato' Kua Khai Shyuan as a director of the Company		
2	To re-elect Dato' Haji Sohaimi bin Shahadan as a director of the Company		
3	To re-elect Choong Lee Aun as a director of the Company		
4	To re-elect Yong Man Chai as a director of the Company		
5	To approve the payment of directors' fees		
6	To approve the payment of directors' benefits		
7	To re-appoint Messrs. ChengCo PLT as auditors of the Company		
8	To authorise the directors to allot and issue new shares		

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

Signed this day of 2022

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

Notes :

- For the purpose of determining a member who shall be entitled to attend the AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 19 January 2022. Only a depositor whose name appears on the Record of Depositors as at 19 January 2022 shall be entitled to attend the AGM or appoint proxies to attend and/vote on his/her behalf.
- A proxy may but need not be a member of the Company.
- For a proxy to be valid, the proxy form duly completed must be deposited at the registered office of the Company at 51-21-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang not less than 48 hours before the time appointed for holding the meeting or adjournment thereof, or in the case of a poll not less than 24 hours before the time appointed for the taking of the poll.
- A member shall be entitled to appoint of up to a maximum of 2 proxies to attend and vote instead of him at the same meeting and where a member appoints 2 proxies to vote at the same meeting, such appointment shall be invalid unless he specifies the proportion of his shareholdings to be represented by each proxy.
- Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Exempt Authorised Nominee") which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds. Where a member is an Exempt Authorised Nominee, it may appoint at least 1 proxy but not more than 2 proxies in respect of each securities account it holds which is credited with the shares of the Company. The appointment of 2 proxies in respect of a particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.
- If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
- Members are advised to refer to the Letter to Shareholders dated 30 November 2021 and follow the procedures set out therein in order to participate the AGM remotely via the RPV facilities.

* Strike out whichever is not applicable.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here



TRIVE PROPERTY GROUP BERHAD

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