SOLARVEST®

A WORLD GENERATED BY RENEWABLE ENERGY

Annual Report 2020

CONTENTS

ABOUT US

Solarvest was founded in year 2012 with the vision to create a world where clean energy is easily accessible to many. We are amongst the first batch of grid-tied solar power installation providers that has obtained the certification from SEDA (Sustainable Energy Development Authority), ISPQ (Institute for Sustainable Power Quality) and GCPV (Grid-Connected Solar Photovoltaic) in Malaysia.

Since then, we have been advocating for solar energy adoption and have grown to be a leading solar turnkey engineering, procurement, construction and commissioning ("EPCC") service provider and shaped an established track record of large-scale solar PV ("LSSPV") projects as well as residential, commercial and industrial properties projects. We also provide operations and maintenance ("O&M") services of solar PV systems. In addition, we owned a 1MWp solar PV plant located at Pokok Sena, Kedah.

Solarvest was listed on the ACE Market of Bursa Malaysia in November 2019. We continued to work on higher-value activities by providing homes and businesses a solid financial return using solar energy. We are committed to a world generated by renewable energy.

GROUP STRUCTURE

SOLARVEST HOLDINGS BERHAD
[Registration No.: 201701033607 (1247778-U)]

- **100%** ATLANTIC BLUE SDN. BHD. [Registration No.: 200501009092 (686139-X)]
  - **100%** POWERTRACK SDN. BHD. [Registration No.: 201601002931 (1173857-K)]
  - **100%** SOLARVEST ENERGY SDN. BHD. [Registration No.: 201601023621 (1194560-T)]
    - **70%** SOLARVEST ENERGY (SR) SDN. BHD. [Registration No.: 201901010824 (1320152-A)]
    - **100%** SOLARVEST (TAIWAN) CORPORATE LIMITED [Unified Business No.: 83506336]
- **100%** SOLARVEST ASSET MANAGEMENT SDN. BHD. [Registration No.: 201901046277 (1355607-K)]

AWARDS AND RECOGNITION

- 2015 SME 100 Fast Moving Companies Award
- 2015 Golden Eagle Award - (Nan Yang) Emerging Eagle
- 2015 Asean Outstanding Business Award
- 2015 Sin Chew Business Excellence Award
- 2016 CMO ASIA - Asia Renewable Energy Excellence Award
- 2016 Golden Eagle Award – (Nan Yang) Excellent Eagle
- 2016 Star Outstanding Business Awards
- 2018 Top 100 Most Influential Sustainable Entrepreneur Award
- 2018 SME 100 Fast Moving Companies Award
- 2019 The Golden Globe Tigers – Solar Energy Leadership Award

OUR VISION

A World Generated by Renewable Energy

OUR MISSION

To provide our clients the highest quality and value-added turnkey solar energy solutions, and thereby bring superior financial return on their investment

CORPORATE VALUES

Adhere to the Principles

We practice world-class professionalism, excellence and innovation in all aspects of our conduct.

Empower Individuals

We provide a family-like environment at the workplace and to constantly support and recognise the contribution of our employees.

Customer-Focused

We deliver value investments and exceptional customer-centered services.

Sustainable Community

We contribute positively in developing green and sustainable energy that will benefit the community and environment.

Shareholder-Value Oriented

We establish a profitable renewable energy company with sound financial management.

CORPORATE MILESTONES

2012

- Founded and ventured into the provision of services for solar PV systems

2014

- Built and operate our own solar PV plant with capacity of 1MWp in Pokok Sena, Kedah

2015

- Atlantic Blue was awarded the SME100 award by SME Magazine under the "Fast Moving Companies" category
- Atlantic Blue was recognised as ASEAN's "Most Recognised Brand of Solar Photovoltaic Service Provider" during the ASEAN Business Awards organised by ASEAN Business Advisory Council

2016

- Establish Powertrack to focus on operations and maintenance of solar PV systems;
- Solarvest Energy to focus on EPCC services for residential, commercial and industrial segment;
- Atlantic Blue focuses on EPCC services for LSSPV plant
- Atlantic Blue was awarded "Asia Renewable Energy Award" for Best Turnkey Supplier and Award for Excellence by CMO Asia

2018

- Commissioned Malaysia's first LSSPV plant
- Received the "Top 100 Most Influential Sustainable Entrepreneur Award" under the Renewable Energy Excellence category by Asia Pacific Business Council for Sustainability

2019

- Secured our first turnkey EPCC contracts for LSSPV projects in Kampar, Kamunting and Kinta, all in Perak, with aggregate contract value of RM158.1 million
- Establish Solarvest Energy (SR) to focus on EPCC services for residential, commercial and industrial segment in the Southern Region of Peninsular Malaysia
- Obtained SC approval for IPO
- Listed on ACE Market on November 2019
- Established Solarvest Asset Management to carry out the business of solar leasing and other related activities

BUSINESS OVERVIEW

- Detailed site survey for a customised design
- Project feasibility study to work out best solutions
- Preliminary engineering design for systems
- Quotation & proposal at competitive pricing
- Financing solutions to fund solar projects

- Tailored engineering for custom design
- Licensing application
- Procurement of quality top-tier products
- Project management with efficient delivery
- Project construction with extensive on-site experience
- Testing & commissioning after detailed inspection

- Monitor system performance consistently and respond immediately to system fault
- Detailed reporting and analysis on root cause or fault
- Administrative management on warranty and claims
- Quotation & proposal at competitive pricing
- Advanced tools and equipment for defect diagnosis and investigation
- Adequate inventory with spare parts and backup replacement
- Corrective maintenance system troubleshooting and devices calibration
- Preventive maintenance, annual system health inspection, panel cleaning and inverter servicing

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Che Halin Bin Mohd Hashim
Independent Non-Executive Chairman

Lim Chin Siu
Managing Director

Tan Chyi Boon
Executive Director

Chiau Haw Choon
Non-Independent Non-Executive Director

Fong Shin Ni
Independent Non-Executive Director

Gan Teck Hooi
Independent Non-Executive Director
(Appointed on 24/2/2020)

AUDIT COMMITTEE

Chairman
Gan Teck Hooi *(Appointed on 29/6/2020)*

Members
Dato' Che Halin Bin Mohd Hashim
Fong Shin Ni

REMUNERATION COMMITTEE

Chairman
Dato' Che Halin Bin Mohd Hashim

Members
Fong Shin Ni
Chiau Haw Choon
Gan Teck Hooi *(Appointed on 29/6/2020)*

NOMINATION COMMITTEE

Chairperson
Fong Shin Ni

Members
Dato' Che Halin Bin Mohd Hashim
Chiau Haw Choon
Gan Teck Hooi *(Appointed on 29/6/2020)*

RISK MANAGEMENT COMMITTEE

Chairman
Gan Teck Hooi *(Appointed on 29/6/2020)*

Members
Fong Shin Ni
Chong Chun Shiong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
ACE Market, Industrial Product & Services

STOCK NAME/ CODE

SLVEST/ 0215

REGISTERED OFFICE

No. 7-1, Jalan 109F, Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
Tel: 03-7982 2010
Fax: 03-7980 1242

PRINCIPAL PLACE OF BUSINESS

D-36-06, 3 Two Square
No.2, Jalan 19/1
46300 Petaling Jaya, Selangor
Tel: 03-7625 3211
Fax: 03-7625 3212
Email address: invest@solarvest.my
Website: http://solarvest.my

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
AmBank Islamic Berhad
CIMB Islamic Bank Berhad
Alliance Bank Malaysia Berhad

AUDITORS

Ecovis Malaysia PLT (AF 001825)
No. 9-3, Jalan 109F, Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
Tel: 03-7981 1799

SHARE REGISTRAR

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

SPONSOR

M&A Securities Sdn Bhd
No. 45-11, The Boulevard
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2284 2911

COMPANY SECRETARIES

Teo Soon Mei (MAICSA 7018590)
(SSM Practicing Certificate No. 201908000235)

Ng Shu Fern (MAICSA 7062881)
(SSM Practicing Certificate No. 201908001840)
(Appointed on 5/8/2020)

DIRECTORS' PROFILE

Dato' Che Halin Bin Mohd Hashim

Independent Non-Executive Chairman
Malaysian, aged 65, male

Dato' Che Halin Bin Mohd Hashim was appointed to our Board and the Chairman of the Board on 14 September 2018. He is the Chairman of our Remuneration Committee and is also a member of our Audit Committee and Nomination Committee. He graduated with a Bachelor of Science in Mechanical Engineering from University of Leeds, United Kingdom in 1979. He subsequently obtained a Masters of Business Administration from Ohio University, United States of America in 1996.

Dato' Che Halin began his career as Technical Officer with Malaysian Industrial Development Finance Berhad ("MIDF") in 1980. He was responsible for processing and reviewing loan applications and loan performance. He left MIDF to join the banking division of Permata Chartered Merchant Bank Berhad (now known as Affin Investment Bank Berhad) in 1982 as Assistant Manager where he was involved in marketing, evaluation and granting of loans as well as loan disbursement and collections. He left the bank as Manager in 1991 and subsequently joined Sime AXA Assurance Berhad as Manager of its Technical Division. He was promoted to Senior Manager and reassigned to the Institutional Marketing and Bancassurance department in 1996, responsible for improving the company's institutional marketing and establishment of bancassurance. During his stint with Sime AXA Assurance Berhad, he also pursued his Masters of Business Administration on a part time basis.

He left and joined Time Engineering Berhad in 1997 as Senior General Manager. He was subsequently appointed as Chief Operating Officer of Uniphone Sdn Bhd after the company was acquired by Time Engineering Berhad in 1997. He was responsible for the operations and integration of Uniphone Sdn Bhd with Time Engineering Berhad. In 1998, he was appointed as Director of Business Support Services of TT dotCom Sdn Bhd where he was responsible for overseeing the regulatory, customer service, credit risk management, as well as IT functions of the company. In 2002, he was reassigned back as Chief Operating Officer of Time Reach Sdn Bhd (previously, Uniphone Sdn Bhd). During his stint there, he was responsible for managing and implementing plans to improve the business performance of the company.

He left Time Reach Sdn Bhd in 2005 to join Cement Industries of Malaysia Berhad as its Chief Executive Officer before being promoted to Group Managing Director in 2006. During his tenure with the group, he was responsible for overseeing the overall business operations of the group, as well as developing strategic planning and annual operating plans. He retired in 2012. Since then, he only had directorships in other private businesses.

Dato' Che Halin does not hold directorships in any other public companies and he does not have any family relationship with any director and/or major shareholder of the Company.

He has attended three (3) out of three (3) Board meetings for the financial year ended ("FYE") 31 March 2020.

DIRECTORS' PROFILE
(cont'd)

Lim Chin Siu

Managing Director
Malaysian, aged 40, male

Mr. Lim Chin Siu has been our Director since incorporation of the Company, i.e. 20 September 2017. He is the co-founder of our Group and has been jointly spearheading the business growth of our Group since we commenced business in 2012. He is primarily responsible for our Group's overall business strategy and corporate direction. He is in charge of execution and implementation of our Group's business plans. He also oversees the LSSPV projects of our Group, especially on the technical aspects of the projects.

He graduated with a Bachelor's degree in Electrical and Electronic Engineering from University of Hertfordshire, United Kingdom in 2003. He also obtained Grid-Connected Photovoltaic System Design certificate from SEDA in 2014.

He began his career with Lim Electric Company in 2003 as Project Engineer where he was in charge of installation, supply and commissioning of electrical systems. He left in 2006 to establish Dynamic Primajaya Sdn Bhd, an electrical contractor, with 3 other partners in the same year. He was responsible in managing various aspects of the company's electrical projects from documentation to tendering to budget controls. He was also involved in the company's business development activities and business strategy planning. He subsequently exited the business and resigned in 2013 to focus on Atlantic Blue Sdn Bhd. As at LPD, Dynamic Primajaya Sdn Bhd is still in operations but it is not in competition with our Group as it is involved in provision of electrical works for buildings and not in the solar PV industry.

Mr. Lim Chin Siu does not hold directorships in any other public companies and he does not have any family relationship with any director and/or major shareholder of the Company.

He has attended three (3) out of three (3) Board meetings for the FYE 31 March 2020.

DIRECTORS' PROFILE
(cont'd)

Tan Chyi Boon

Executive Director
Malaysian, aged 40, male

Mr. Tan Chyi Boon has been our Director since the date of incorporation of the Company, i.e. 20 September 2017. He is also the co-founder of our Group and has been jointly spearheading the business growth of our Group since we commenced business in 2012. He is responsible for the business development of our Group including administration matters.

He graduated from KDU College (previously known as Kolej Damansara Utama), Malaysia, with a Higher Diploma in Computer Studies in 2001. In 2001, he set up YH Digital Sdn Bhd with his family members, principally involved in the trading of computers and related parts. He was responsible for the business development and management of the company. YH Digital Sdn Bhd ceased business operations in 2012 when he ventured into the solar PV industry via Atlantic Blue Sdn Bhd with Mr. Lim Chin Siu and his brother, Mr. Tan Paw Boon.

Mr. Tan Chyi Boon does not hold directorships in any other public companies and he does not have any family relationship with any other director and/or major shareholder of the Company.

He has attended three (3) out of three (3) Board meetings for the FYE 31 March 2020.

DIRECTORS' PROFILE
(cont'd)

Chiau Haw Choon

Non-Independent Non-Executive Director
Malaysian, aged 36, male

Mr. Chiau Haw Choon is our Non-Independent Non-Executive Director and corporate representative of Chin Hin Group Berhad ("Chin Hin"). He was appointed to our Board on 14 September 2018 and is a member of our Remuneration Committee and Nomination Committee.

He graduated from Deakin University, Australia with a Bachelor's Degree in Finance and Marketing in 2009. Upon his graduation, he joined his family business, Chin Hin as Group Managing Director. In 2017, he was awarded the EY Entrepreneur of the Year 2017 Malaysia.

Besides Chin Hin, he is also Non-Independent Non-Executive Director of Chin Hin Group Property Berhad since 2017, and was re-designated to Executive Director in 2018. He also serves as Director for a number of subsidiaries of Chin Hin and Chin Hin Group Property Berhad and also has directorships in various other private businesses.

He is the son of Datuk Seri Chiau Beng Teik and Datin Seri Wong Mee Leng, both of which are the major shareholders of the Company.

He has attended three (3) out of three (3) Board meetings for the FYE 31 March 2020.

DIRECTORS' PROFILE
(cont'd)

Fong Shin Ni

Independent Non-Executive Director
Malaysian, aged 46, female

Ms. Fong Shin Ni was appointed to our Board on 14 September 2018, and is the Chairman of our Nomination Committee. She is also a member of our Audit Committee, Remuneration Committee and Risk Management Committee.

She holds a Masters in Business Administration from Cardiff University as well as a Bachelor of Law (Honours) Degree from the University of Sheffield. She has a Barrister-At-Law from Lincoln's Inn, and was called to the Malaysian Bar in 1999.

Ms. Fong Shin Ni joined Messrs. Chew Kar Meng, Zahardin & Partners, a firm established since 1981, as a partner in 2006 where she specialises in corporate and commercial banking, and real property related transaction. Initially, she began her career in Messrs. Zul Rafique & Partners handling corporate matters, specialising in the field of capital markets, mergers and acquisitions and the provision of corporate advisory services.

She does not hold directorships in any other public company and she does not have any family relationship with any director and/or major shareholder of the Company.

She has attended three (3) out of three (3) Board meetings for the FYE 31 March 2020.

DIRECTORS' PROFILE
(cont'd)

Gan Teck Hooi

Independent Non-Executive Director
Malaysian, aged 46, male

Mr. Gan Teck Hooi was appointed to our Board on 24 February 2020. He has a Fellow membership in The Association of Chartered Certified Accountants (FCCA) and is a member of the Malaysian Institute of Accountants (MIA). He is the Chairman of our Risk Committee and Audit Committee, and is also a member of Remuneration Committee and Nomination Committee.

Mr. Gan Teck Hooi began his career as an audit associate and served in Yeo, Lim & Co and Hew & Tan for approximately four (4) years before joining the commercial industry. He joined Rohas-Euco Industries Bhd as Assistant Finance Manager in 2002 and was promoted to Finance Manager in 2004. He then joined TSH Resources Bhd as Finance Manager in 2006. In 2007, he joined Hexagon Holdings Bhd as Senior Finance Manager and was promoted to Financial Controller in 2009.

In 2010, he joined the Poney Group of Companies ("PONEY") as Group Chief Operating Officer, where he was responsible for overseeing the overall business operation of the group as well as the establishment of international retail presence. He left PONEY in year 2014 and founded ICFO Solutions Sdn. Bhd., a business consulting firm to provide business consultation to small and medium-sized enterprises ("SME") to improve productivity and profitability. He is currently the President for the International Council for SME and Entrepreneurship-Malaysia (ICSMEE Malaysia).

He does not hold directorships in any other public companies and he does not have any family relationship with any director and/or major shareholder of the Company.

Mr. Gan does not attend any Board meeting for the FYE 31 March 2020 as there was no Board meeting convened for the FYE 31 March 2020 after he was appointed to the Board on 24 February 2020.

Notes:

1. None of the Directors has conflict of interest with the Company.

2. None of the Directors:

   (a) has been convicted of any offence within the past five (5) years other than traffic offences, if any.

   (b) was publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the FYE 31 March 2020.

KEY SENIOR MANAGEMENT PROFILE

Chong Chun Shiong

Group Chief Executive Officer
Malaysian, aged 40, male

Mr. Chong Chun Shiong is our Group Chief Executive Officer and he is also a member of our Risk Management Committee. He is primarily responsible for overseeing our Group's daily operations and implementation of organisation wide strategies. He also acts as our Group's liaison with the relevant authorities for our solar PV projects.

He graduated from Universiti Teknologi Malaysia in 2003 with a Bachelor (Hons) Degree in Engineering majoring in Electrical and Mechatronics. In 2012, he obtained a Master of Business Administration from University of Ballarat, Australia.

He began his career with Intel Technology Sdn Bhd as a Failure Analysis Engineer in 2003 where he was involved in conducting various product tests and failure analysis to ensure smooth new product introductions. He left in 2007 and joined Avago Technologies (M) Sdn Bhd in 2008 as a Senior Research & Development Project Lead where his responsibilities include leading and managing the product development activities based on product requests by the marketing team. Such product development activities comprise product design, product qualification and mass production verification.

He was later promoted to Product Marketing Manager in 2010 where his responsibilities include overseeing the marketing function for the company's industrial business segment and strategising marketing programs for new product releases covering the Asia Pacific and Europe. During his stint at Avago Technologies (M) Sdn Bhd, he also pursued his Master of Business Administration on a part time basis.

He left Avago Technologies (M) Sdn Bhd in 2013 and joined Dell Global Business Centre Sdn Bhd as a Product Marketing Manager. His responsibilities include developing the company's third party software solutions division, concentrating on selected markets in Asia Pacific such as the South East Asia region, China, Australia and New Zealand. He left in 2014 and joined Atlantic Blue Sdn Bhd as Marketing Director where he developed and implemented various EPCC strategic marketing plans for Atlantic Blue Sdn Bhd. He was subsequently promoted to his current position on 1 April 2017.

Mr. Chong Chun Shiong does not hold directorships in public companies. He is an existing shareholder of the Company through his shareholding in Atlantic Blue Holdings Sdn Bhd, a major shareholder of the Company. He has no family relationship with any director and/or major shareholder of the Company and he has no conflict of interest with the Company. He has not convicted any offences within the past five (5) years other than traffic offences, if any and he was not publicly sanctioned or imposed with penalty by the relevant regulatory bodies during the financial year ended 31 March 2020.

CHAIRMAN'S STATEMENT

To our Valued Shareholders,

On behalf of our Board of Directors, I am delighted to present the maiden Annual Report and Audited Financial Statements of Solarvest Holdings Berhad ("**Solarvest**" or "**the Group**") for the financial year ended 31 March 2020 ("**FY2020**").

THE YEAR IN REVIEW

FY2020 was indeed an exciting and remarkable year for Solarvest. The Group achieved a new milestone in its corporate history with the successful listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on 26 November 2019. The listing exercise raised RM34.59 million through the Initial Public Offering ("IPO") exercise, which has enabled the Group to forge further ahead into a new chapter of growth.

The economic growth globally and in Malaysia weakened during the year under review due to global trade wars, heightened geopolitical risks, weakness in commodity sectors and economic uncertainties. Against these setbacks and challenging operating environments, Solarvest has successfully posted an all-time record of RM253.43 million in revenue and net profit of RM15.67 million respectively for FY2020.

Moving forward, the Group has laid down strong foundations to enhance its position as a leading solar player in the region as well as providing one-stop and tailor-made solutions to customer requirements. These aspirations were partly achieved by entering into several strategic and synergistic tie-ups with the right partners to develop a sustainable business ecosystem aimed at encouraging the Malaysian public to make the switch to solar PV energy easily. By collaborating with financial institutions and insurance companies, solar PV investors and consumers would be able to benefit from a comprehensive one-stop solution which include easy access to bank financing as well as insurance protection plans.

Within Malaysia, the Group has continuously secured new EPCC contracts mainly from commercial and industrial customers. The healthy order book build up is a testimony to our strong brand reputation and established track record that we have built in the market over the years as a reliable and technically competent player.

Our efforts in developing and growing solar power generation have been recognized by the industry and on record, Solarvest has won the "Solar Energy Leadership Awards 2019" at the Golden Globe Tigers Award 2019 held in April 2019. With these positive track records, we have fast tracked our market expansion overseas and secured two new contracts for EPCC works from the second largest power distribution utility company in the Philippines.

Further details on our financial and operational performance are outlined in the Management Discussion and Analysis Section in this Annual Report.

CHAIRMAN'S STATEMENT
(cont'd)

ENERGY REVOLUTION

Renewable energy harvesting is fast gaining popularity in Malaysia. Globally, we are witnessing a renewable energy revolution and technological advancements being adopted to deliver more affordable and efficient solutions.

The solar PV energy as a sustainable source of renewable energy is definitely gaining momentum. Between 2014-2018, total solar PV installed capacity grew at a Compound Annual Growth Rate ("CAGR") of 44.2% in Malaysia (Source: SEDA) and 30.2% globally (Source: Statista.com).

In Malaysia, the Government is committed to supporting the growth of the industry by setting a target of 20% renewable energy in its generation mix by 2025, from 2% as at end 2018.

As Malaysia is blessed with abundance of sunlight, it is natural that solar PV energy will become the largest proportion of the renewable energy mix. Programmes such as Large Scale Solar ("LSS") and Net Energy Metering ("NEM") have been instrumental in accelerating the development of Malaysia's solar PV industry. Under the NEM programme, total quota allocated for solar PV increased three-fold to 54.40 MW in 2019 compared to 13.27 MW in 2018 (Source: SEDA).

Meanwhile, the LSS segment continues to gain momentum with encouraging support from the Malaysian Government. The fourth phase of the LSS programme was recently rolled out in May 2020. Known as the Large Scale Solar programme by Malaysian Electricity Industry to Attract RE Investment ("LSS@MEnTARI"), it offers 1,000MW of solar PV quota for open tender, and is by far the biggest quota offered under the LSS programme. To further encourage the adoption of solar PV, tax incentives such as the Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) have been extended until 2023.

In addition to capitalising on these opportunities as an EPCC provider, we also intend to participate as a joint asset owner in LSS@MEnTARI as part of our upstream expansion plans. We believe the solar PV sector remains attractive for investors given the steady and recurring returns it offers.

Moreover, the introduction of solar leasing programmes would be attractive to smaller business owners since they do not need to come up with large upfront costs to install solar PV system at their premise. These developments will also attract third-party investors to participate and further stimulate market growth.

The increasing global embracement of solar energy will definitely augur well for the solar PV industry and Solarvest is well poised to tap on these opportunities.

OUTLOOK

Looking ahead, we believe that it will be a challenging year for most industry players across various sectors of the economy. The financial year ending 31 March 2021 ("FY2021") began with unexpected adversity and unprecedented uncertainties brought by the Novel Coronavirus ("Covid-19") pandemic. The International Monetary Fund ("IMF") published in its recent June 2020 World Economic Outlook Update report that it expects the Malaysian economy to contract by 3.8% in 2020 before rebounding into positive territory in 2021.

Against the backdrop of challenging economic environment and uncertainties due to Covid-19 pandemic, we continue to remain optimistic on the solar PV industry and the Group's long-term prospects.

Amidst the multitude of challenges, we are confident of capitalising on a number of exciting opportunities that would propel us forward.

Our optimism is underpinned by the Group's solid fundamentals and strong execution skills, further boosted by recent addition of new key customers. With our proven track record and position as one of the leading solar PV system specialists in Malaysia, we are confident of securing new customers in the coming financial year.

Furthermore, as we build and move forward in the pursuit of new business opportunities abroad, we will focus on expanding our market presence in the Philippines, the first country overseas we have successfully made inroads into. Meanwhile, we are also making encouraging progress in Taiwan and we aim to penetrate into this new market by the second half of this coming financial year.

CHAIRMAN'S STATEMENT
(cont'd)

CORPORATE GOVERNANCE

At Solarvest, we are committed to continuously underline the high standards of corporate governance and ethical behaviour in pursuit of sustainable value creation for all of our stakeholders.

As a public listed entity, we are resolute in ensuring that our business conducts are constantly adhered to the Malaysian Code on Corporate Governance ("MCCG"). At the same time, we strive towards integrity, transparency and accountability by enforcing the policies and procedures at Solarvest as embedded in the Group's Code of Ethics and Conduct.

In addition, our Group is committed to drive the execution of the Group's integrity, governance and anti-corruption initiatives by aligning with the Malaysian government's directive and the expected enforcement of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009 on 1 June 2020 for adequate procedures.

To this end, we have elaborated the undertakings by the Group in the Corporate Governance Overview Statement on pages 44 to 63 of this FY2020 Annual Report.

SUSTAINABILITY MATTERS

Sustainability is the core of what we do, and we aspire to pursue endeavours that positively impact the environment and communities around us.

Playing our role as a corporate citizen, we want to be part of a movement towards a sustainable planet, society, and economy for future generations.

Hence, we are committed to adhering to the best sustainability practices as we strive to achieve our strategic goals with minimal environmental footprint.

Building a sustainable business is our foremost priority and this encompasses environmental, social, and governance (ESG) concerns. Equally important is our excellent performance in health, safety and environmental standards.

During the year, the Group donated 1 million medical gloves worth approximately RM150,000 to support Malaysian authorities in combating the Covid-19. These as well as other initiatives are outlined in our Sustainability Statement set out from pages 27 to 43 of this Annual Report.

APPRECIATION

Firstly, I would like to express my sincere gratitude to our management and staff at Solarvest for their commitment, hard work and contribution in building our solid track record. You are our greatest asset.

I would also like to thank all other stakeholders including our valued shareholders and customers, business partners, bankers, lawyers, investment bankers and suppliers for their trust they have put in us and look forward to their continued support in the future.

Finally, I would like to extend my heartfelt appreciation to my fellow Board members for your dedication, valuable advice, and service to the Board.

DATO' CHE HALIN BIN MOHD HASHIM
Chairman

MANAGEMENT DISCUSSION AND ANALYSIS

A PURE-PLAY SOLAR PV SPECIALIST

Solarvest is essentially a renewable energy company that specialises in the solar photovoltaic ("solar PV") sector. Our goal is to ultimately change the way people consume energy, shifting from the traditional power sources to a greener and more environmentally friendly source.

Our journey started back in 2012 in Alor Setar, Kedah, one year after the launch of Feed in Tariff ("FiT") mechanism in Malaysia.

We were among the first batch of grid-tied solar PV power installation providers that obtained the certification from SEDA (Sustainable Energy Development Authority), ISPQ (Institute for Sustainable Power Quality) and GCPV (Grid-Connected Solar Photovoltaic).

The Group was initially involved in providing solar PV installation for residential projects as a subcontractor. Since then, we have grown from strength to strength into a leading turnkey solar PV engineering, procurement, construction, and commissioning ("EPCC") provider.

Our services range from initial consultancy to site surveys, applications to authorities, construction all the way to commissioning, as well as operations and maintenance ("O&M") of our clients' solar PV systems.

We are well versed in constructing various types of solar PV systems such as rooftop, large scale ground-mounted, as well as floating solar PV systems.

Solarvest is ISO 9001:2015 certified where our Quality Management System is aligned to a robust and globally recognised approach that focuses on continuously improving processes and managing risks to meet the needs and expectations of stakeholders.

At Solarvest, we strive to be the one-stop solutions partner for solar PV investors. We have been playing an active role as a systems integrator, bridging the gap between investors and authorities, in the local solar PV ecosystem. Additional assistance provided to investors include quota application, as well as testing and commissioning of solar PV systems.

In recent years, we have seen increasing interest and participation in the solar energy industry as public awareness over environmental issues has grown significantly in Malaysia. More organizations are facing international obligations to be environmentally conscious; hence, the adoption of solar energy is an affordable way for them to achieve their climate goals. This uptake has translated to rising demand for our services.

Over the span of 8 years, we have handed over installed solar PV capacities totalling 280 MWp as at 31 March 2020 from across the Large Scale Solar Photovoltaic ("LSSPV") segment, residential, commercial and industrial ("C&I") properties in Malaysia.

In addition to that, we own a 1-megawatt peak ("MWp") solar PV plant located at Pokok Sena, Kedah. It was completed in 2014 and we have signed a Renewable Energy Power Purchase Agreements ("REPPA") with Tenaga Nasional Berhad ("TNB") under the FiT mechanism.

Fast forward to 2020, Solarvest was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad on 26 November 2019, one of the first few pure-play solar PV companies to be listed on the local bourse.

We now have a strong team of about 153 employees across our offices in Petaling Jaya (headquarters), Alor Setar, Pulau Pinang, and Johor Bahru. Most recently, we have ventured beyond Malaysia and set our foot in the Philippines.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

OUR BUSINESS SEGMENTS

TURNKEY EPCC

We provide EPCC services to two main segments, namely solar PV systems for large-scale solar plants ("LSSPV") and residential, commercial and industrial ("C&I") properties.

OPERATIONS & MAINTANENCE

We provide comprehensive services that includes solar performance monitoring, preventative maintenance and corrective maintenance.

OWNER – SOLAR PV PLANT

We own, operate and maintain a 1MWp solar plant located in Pokok Sena, Kedah based on the FiT mechanism. Under the scheme, the power generated from the solar plant will be sold to Tenaga Nasional Berhad ("TNB") for 21 years from Dec 2014.

THE SUNNY HORIZON

During the financial year ended 31 March 2020 ("FY2020"), Solarvest continued to expand its horizon and delivered yet another record-breaking set of financial results. Our revenue was at all-time high of RM253.43 million and net profit was at a new record of RM15.67 million.

The year also saw us make several strides in terms of project delivery. We completed and handed over the first LSS plant to achieve commercial operations under the LSS 2 scheme in Malaysia, namely the Asia Meranti Solar Kamunting plant. While our two other LSSPV projects, Asia Meranti Solar Kampar and Asia Meranti Solar Kinta plant, were completed one month ahead of schedule.

The timely achievement was replicated in our C&I projects. We raised the bar and surpassed our internal record by completing a 7.7MWp solar PV system installation for Xinyi Solar (Malaysia) Sdn Bhd, phase two of the project, within 40 days. The overall system size for this project is about 31.0MWp, the largest rooftop project under the Net Energy Metering ("NEM") program in Malaysia thus far. The solar plants were installed on the rooftop of Xinyi Solar's manufacturing plant in Melaka.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Another notable development for us was the signing of Memorandum of Agreement with Teo Seng Capital Berhad, who has earmarked a capital expenditure of approximately RM13.0 million to install rooftop solar PV systems across its chicken farms and factories in Johor.

In total, our total order book has grown to RM234.71 million, of which RM178.40 million remains outstanding as of June 2020. The new project orders came primarily from the C&I segment, representing about 90% of our outstanding order book. Our portfolio has expanded to include projects from industries such as poultry, manufacturing, hypermarket chains, education, government linked companies and many more.

To further enhance the ecosystem of our services, we partnered up with financial institutions such as United Overseas Bank (Malaysia) Berhad ("UOB") to provide solar financing solutions as well as with Anora Agency Sdn Bhd ("Anora") for customized insurance products for solar PV. We believe with these partnerships in place, it will further encourage the adoption of solar PV energy.

Our growth has not gone unnoticed, along with the bright prospects and outlook, our market capitalisation has grown substantially to more than RM500 million* in market capitalization from merely RM295 million during our initial public offerings ("IPO"). Presently, our shareholders include a few institutional funds, both local and foreign.

First LSS Project COD in LSS2 Scheme - 12.5MWp Kamunting Ground Mounted Large Scale Solar Farm

7.7MWp Rooftop Solar Project Complete Installation within 40 days

2019 MOA Signing Ceremony with Teo Seng

2019 MOU Signing with Allianz General and Anora

* *Share price at 13 July 2020 closing*

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

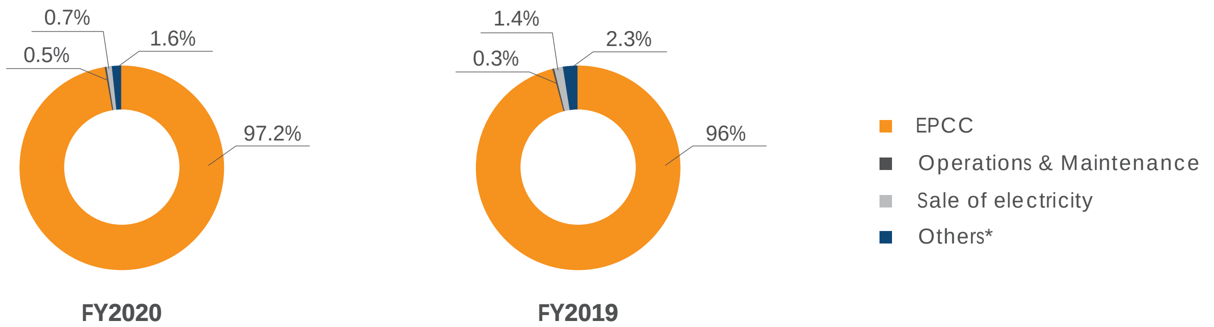
REVIEW OF FINANCIAL PERFORMANCE

Financial Year Ended 31 March			
RM million	**FY2019**	**FY2020**	**Changes**
Revenue	112.20	253.43	+126%
Gross Profit	22.43	39.18	+75%
Profit Before Taxation	12.24	16.49	+35%
Profit After Tax and Non-controlling Interests (Net profit)	11.12	15.67	+41%
Gross Profit Margin	20.0%	15.5%	-
Profit Before Tax Margin	10.9%	6.5%	-
Net Profit Margin	9.9%	6.2%	-

* *For illustration purposes, the Group has extracted the financial information for FY2019 from the audited consolidated statement of profit or loss and other comprehensive income as disclosed in the Prospectus of the Company dated 30 September 2019.*

Solarvest's revenue soared 126% year-on-year ("YoY") to yet another historic high of RM253.43 million in FY2020 from RM112.20 million in financial year ended 31 March 2019 ("FY2019"). The strong growth in revenue was mainly driven by higher contribution from the EPCC segment.

REVENUE BREAKDOWN BY BUSINESS SEGMENTS



FYE Mar (RM mil) **Revenue by business**	**Audited** **FY2020**	**Audited** **FY2019**
EPCC	246.49	107.63
Operations & Maintenance	1.18	0.36
Sale of electricity	1.84	1.58
Others*	3.92	2.63
	253.43	112.20

* *One-off project management of electrical and fire protection works for our related party and third party.*

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

The EPCC business remains as the primary revenue contributor, accounting for 97% or RM246.49 million of total revenue in FY2020. Revenue from EPCC jumped 129% YoY or RM138.86 million to RM246.49 million from RM107.63 million in FY2019, on the back of higher contributions from LSSPV and Residential, C&I segments. The LSSPV segment recorded strong growth of 117% YoY to RM152.78 million in FY2020 as compared with RM70.55 million a year ago, mainly attributed to the completion of the three solar plants under the LSS 2 scheme. Meanwhile, revenue from the Residential, C&I segments rose 152% YoY to RM93.71 million from RM37.08 million last year due to higher project completions.

Our operations and maintenance business recorded a revenue of RM1.18 million in FY2020, an increase of approximately RM0.82 million or 228% YoY from RM0.36 million, in tandem with the cumulative number of completed EPCC projects and the increase in O&M sales orders.

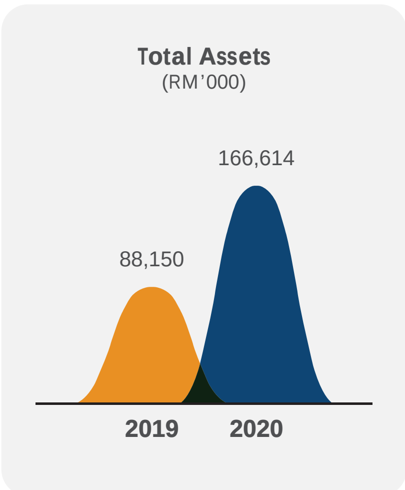
Revenue from sale of electricity through our 1MWp-solar plant in Pokok Sena increased marginally by RM0.26 million to RM1.84 million in FY2020 as compared to RM1.58 million in FY2019, mainly due to fluctuation in power generation as a result of weather conditions.

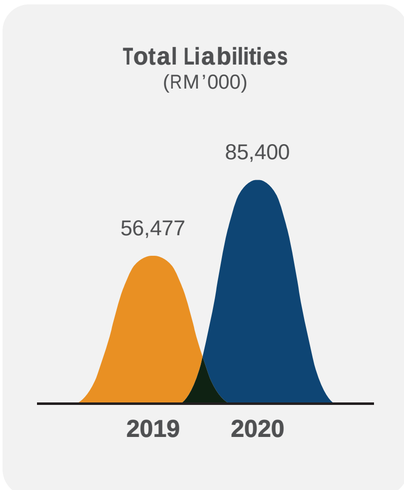
Meanwhile, gross profit grew 75% YoY to RM39.18 million from RM22.43 million, resulting in a gross profit margin of 15.5%. The lower gross profit margin reflects the change in project mix in FY2020, whereby higher revenue was recognised from the LSSPV segment as compared to the previous year.

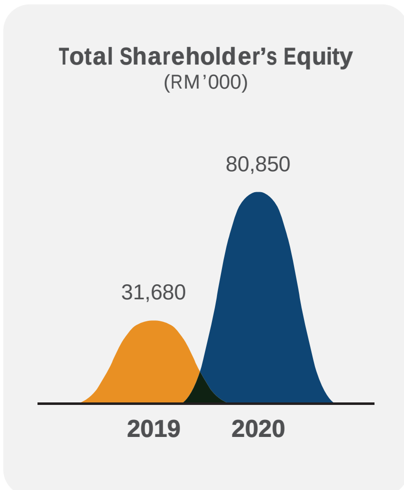
In FY2020, our administrative expenses increased by RM6.23 million to RM16.89 million. Of this, staff costs stood at RM7.50 million, depreciation and amortisation of RM1.96 million, motor vehicle expenses of RM0.63 million, realised and unrealised loss on foreign exchange of RM0.73 million and RM0.58 million respectively. We have also increased our sales and marketing efforts during the year to drive higher sales orders. As a result, our sales and distribution expenses grew by RM1.37 million to RM1.77 million.

Inclusive of a one-off listing expenses of RM1.90 million, the Group registered profit before taxation ("PBT") of RM16.49 million. For illustration purposes, after adjusting the one-off listing expenses the Group's PBT would be RM18.39 million.

Subsequently, the Group registered a profit attributable to the owners of the Company ("net profit") of RM15.67 million in FY2020, which was an increase of 41% YoY or RM4.55 million from RM11.12 million last year. FY2020 earnings per share stood at 6.28 sen.







MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

Liquidity and Capital Resources

Solarvest's overall financial position remains fundamentally solid with net cash after borrowings of RM45.66 million as at 31 March 2020. The Group's net assets were at RM81.21 million with net assets per share of RM0.21.

Total assets increased to RM166.61 million from RM88.15 million as at 31 March 2019, resulting from an increase in non-current assets by RM4.59 million and current assets by RM73.88 million.

The increase in non-current assets was mainly due to higher trade receivables of RM5.21 million as we undertook more projects during the year. Meanwhile, the growth in current assets are mainly attributable to the cash proceeds raised from the IPO exercise, resulting in an increase in cash and cash equivalents to RM60.95 million. Inventories also grew to RM19.82 million to cater for our new projects.

In line with the increase of our project orders, trade payables and contract liabilities were higher at RM44.02 million and RM17.28 million, respectively. Total borrowings were at similar levels at RM15.30 million as compared to RM15.20 million as at 31 March 2019. The gearing ratio of Solarvest remained relatively low at 0.2 times.

Solarvest generated a positive net operating cash flow of RM8.81 million during the financial year.

WAY FORWARD

ADAPTING TO THE NEW NORMAL

While we are pleased to end the year with a commendable performance in FY2020, we are vigilant with what lies ahead of us. The Movement Control Order ("MCO") enforced in Malaysia since 18 March 2020, to control the spread of COVID-19 pandemic has had profound impacts on businesses across various industries including the solar PV sector.

As for Solarvest, we temporarily halted all our sites operations from end March to early May 2020 to ensure the health and safety of our people. Inevitably, our timelines for project delivery were impacted, however majority of our existing projects remained in the pipeline.

Throughout the MCO, we have enabled work-from-home capabilities and shifted our commercial functions such as business development online. In an effort to stimulate sales interests, we launched several digital marketing initiatives such as interactive webinars and online consultation services.

Despite having a challenging start in FY2021, our business continued to demonstrate its resilience as we continue to secure projects in first quarter of the fiscal year.

One of the notable projects was the EPCC contract, worth RM29.2 million, awarded to us by NE Suria Satu Sdn. Bhd. ("NESS"), a joint venture company between PETRONAS Power Sdn. Bhd. (subsidiary of Petroliam Nasional Berhad) and NEFIN Energy (Malaysia) Sdn. Bhd. (a member of NEFIN Group), for the installation of solar PV panels for TESCO Malaysia. We will be installing solar PV systems at 15 designated TESCO stores with cumulative capacity of approximately 10.6 MWp across Peninsular Malaysia.

Solarvest was also appointed as the EPCC provider for a renowned education institution, Universiti Teknologi Mara ("UiTM") to develop and operate solar PV systems and all associated infrastructure across 6 UiTM campuses nationwide. The project carries a value of RM30 million, and the cumulative plant capacity of the project is approximately 11.1 MWp. This project marks our largest rooftop project thus far for the C&I segment.

As we march forward, it is paramount for us to change the way we work in this fluid environment. We will continue these digitalisation initiatives and remain steadfast on our expansion plans.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

BRIGHT FUTURE AHEAD

Looking ahead, the outlook and long-term prospects of Solarvest remains bright. The domestic solar market is relatively young and is on an expansionary phase. We believe that there is still ample room for growth in the local green energy industry. Our optimism is underpinned by the rising demand for renewable energy and encouraging macro policies.

Over the years, the government of Malaysia has introduced several mechanisms and programmes to incentivise the adoption of solar energy in order to achieve its 20% renewable energy mix goal by 2025. Programmes such as the Net Energy Metering ("NEM"), MySuria, and Large-Scale Solar PV ("LSSPV") have been the growth catalyst in the domestic solar PV industry.

Additionally, the introduction of 10-year 70% income tax exemption for solar leasing activities will further encourage more commercial and industrial participation in the adoption of renewable energy. The extension of the Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE) to 2023 during the Budget 2020, enables companies like Solarvest to embark on a greater business expansion and sustainability planning.

These are positive indicators for us as the growth of solar PV industry is very much dependent on government policies, incentives, and a supportive regulatory framework.

GOING BIG ON SOLAR

The recent roll out of the Renewable Energy Investment (LSS@MenTARI) programme, which offers approximately 1,000 MWp of solar quota for open tender, further enhances the prospects of the domestic solar industry. The LSS@MenTARI programme is offered to only fully owned local companies or those with at least 75 percent local shareholding for companies listed on Bursa Malaysia. The quota offered is the largest to date under the LSS programme and is expected to generate about RM4 billion worth of investment, which translates to potential growth opportunities.

Another growth driver for our LSSPV segments would be the implementation of New Enhanced Dispatch Arrangement (NEDA) programme. It is a programme authorised by Suruhanjaya Tenaga to procure electricity from Independent Power Producers (IPPs) and TNB Generation to meet demand at least cost. It serves as an alternative programme for solar PV investors or asset owners to sell the electricity generated by their solar power plant to the grid without needing to bid for quotas. With this, it opens more EPCC project opportunities for us all year long as it is not cyclical in nature.

As for Solarvest, we intend to capitalise on the opportunities and partake as a joint asset owner in the LSS@MenTARI programme, taking a step forward in our upstream expansion plans. This strategic decision is a natural move for us as we intend to grow vertically in the value chain to further strengthen our position as a pure-play solar PV specialist.

Being an asset owner allows us to enjoy long-term recurring revenue stream which in turn will improve the Group's earnings visibility. We are eyeing for more solar PV investment opportunities as an asset owner in both the C&I segment as well as the LSSPV segment, to further capitalize on the increasing demand for solar PV energy.

POWERING UP THE ROOFTOPS

In recent years, rooftop projects have been growing larger in size, from 1MWp previously to up to 30MWp today, as investors have better access to solar financing options coupled with the tax incentives from the Government. Against this favorable backdrop, the C&I Industrial segment will continue to be a key growth driver for us.

In addition to that, we are encouraged by the government's active push to implement the Energy Performance Contracts ("EPC") for Government buildings, focusing on hospitals and educational institutions.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

We are actively pursuing opportunities in this segment and are bidding for EPCC projects from both the outright purchase model and Supply Agreement of Renewable Energy ("SARE") programme, as well as peer-to-peer solar leasing model, such like our collaboration with Advancecon Solar Sdn Bhd (subsidiary of Advancecon Holdings Berhad, "Advancecon").

In February 2020, Advancecon appointed Solarvest as its exclusive EPCC partner and awarded us an EPCC project to install solar PV systems for Onn Corp Resources. The total generation capacity of the installations on the premises will be 586.06 KWp. Advancecon Solar will invest in the solar photovoltaic system while Onn Corp Resources will purchase the power generated by the solar PV system.

We aim to replicate this similar arrangement with other industry players who are interested to invest in the renewable energy industry. Being an exclusive EPCC partner, we will be able to offer consultation services to solar PV investors who are interested in the leasing programme in terms of technical practicality and economic feasibility based upon their budgeted capital expenditure, while connecting them to interested consumers. Thus, offering a win-win solution to solar PV investors as well as the consumer.

EXPANDING BEYOND OUR HOME

Presently, our operations are mainly in Peninsular Malaysia. Over the mid-term, we aim to grow our operations in the overseas markets. Our immediate focus would be to expand our geographical footprints to Philippines and Taiwan where we see tremendous growth opportunities.

PHILIPPINES

We successfully forayed into the Philippines solar PV market with two new EPCC rooftop projects from Vivant Energy Corporation in April 2020. Vivant Energy corporation is part of Vivant Corporation, an energy company listed on the Philippine Stock Exchange and the parent company to Philippines' second largest power distribution utility company. This marks our first expansion beyond Malaysia, and we are thrilled to have received the opportunities and confidence from an established industry player such as Vivant Corporation.

The first project is for the development of solar PV systems at 10 designated buildings, with cumulative capacity of 816.2 KWp, located at the University San Agustin, Iloilo City, Philippines. Meanwhile, under the second solar PV project, Solarvest will undertake the development of the 377.52 KWp solar PV systems for Bulihan Industrial Park located at Bulacan, Philippines.

We intend to make further inroads into Philippines and are actively in talks with local partners to bid for more rooftop EPCC projects there. We aim to capitalize on the expanding renewable energy investments in Philippines where its market size is expected to reach about PhP1.5 trillion by 2030, according to Institute for Energy Economic and Financial Analysis (IEEFA) report in 2018.

TAIWAN

Meanwhile, we made encouraging progress in Taiwan and have set up a wholly owned subsidiary, Solarvest (Taiwan) Corporate Limited ("Solarvest Taiwan") to pave way for our expansion plans. We will be expanding our geographical presence in Taiwan by teaming up with a local partner there.

Our key area of focus remains in the EPCC segment for the Taiwan market and we are targeting to enter this new market by second half of FY2021. We believe our diverse track record across residential, C&I as well as LSSPV will be our competitive edge against the local solar PV players in Taiwan. We are encouraged by the growth potential of the FiT mechanism in the country. The government of Taiwan, too, has outlined a target of 20% share of renewable energy in total power generation by 2025 from only 4.6% in 2018, as stated in an independent market research report by Protégé Associates Sdn Bhd published on 3 September 2019.

Coupled with our on-going initiatives to streamline costs, optimise manpower, as well as improve our technical capabilities, we are optimistic that we will have another momentous year ahead.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

RISK FACTORS

While Solarvest continues to chart our growth journey, we are aware of the inherent risks that may have material impact on our operations, performance, financial condition, and liquidity. We have put in place mitigation initiatives to address and/or reduce these risks to ensure our business sustainability.

We are dependent on government policies, incentives, and supportive regulatory framework

Due to our business nature, we are subjected to various laws, regulations and policies set by the government authorities relating to renewable energy. While the Malaysian Government has set policies and support mechanisms for the renewable energy, such policies and support may be modified or changed in the future.

We may be affected by any adverse changes in the government policies and support mechanisms relating to the solar PV industry. As mitigation efforts, the Group constantly engages with the respective local authorities and relevant business associations to keep abreast on the latest development as well as closely monitor any prospective regulations as well as changes in policies.

Our business depends on the approval from authorities and financing for client's solar PV investments

As an EPCC contractor for solar PV systems, our business is dependent on our client's ability to obtain approval from authorities such as Energy Commission, SEDA and Distribution Licencees for their solar PV projects. In certain circumstances, our clients will also need financing for their solar PV projects and their ability to obtain financing will affect the implementation of the project.

In order to reduce the risks, we actively work closely with our clients by providing consultation service and help them to facilitate the application for their projects. In addition to that, we partnered with several established financial institutions to allow our clients a more seamless financing application process.

Competitive industry environment

We face competition from local and international competitors which may be capable of offering similar services. They may compete with us in terms of pricing, solutions offered and service quality. Inevitably, we are exposed to profitability pressures, should our competitors engage with aggressive pricing in order for them to increase their market share.

To stay ahead of the competition, we remained steadfast on advancing our technical capabilities, improving our operating efficiencies, as well as ensuring high levels of customer service, work quality and project delivery. Furthermore, we believe our strong track record across multiple segments will enhance our competitive edge.

We are subject to potential defects liability claims and performance guarantee.

A defects liability period is imposed on us for the contracts that we secured. The defects liability period commences from the date of testing and commissioning and generally covers a period of 2 years, depending on the contract terms, which is in line with the industry average. While we may attempt to recover any defects liability claim, such as product warranty claims from the equipment manufacturers, we may from time to time, be required to compensate our clients prior to receiving the said claim.

We also provide performance guarantee of 1 to 3 years on our solar PV system. While we strive to ensure that our solar PV system performs at its optimum level, there is no assurance that our solar PV system will consistently meet the performance guarantee.

MANAGEMENT DISCUSSION AND ANALYSIS
(cont'd)

APPRECIATION

Our sincere thanks to our shareholders, clients and business partners for their confidence and faith in the Group. On top of that, we would like to express our gratitude to our Board of Directors for their stewardship, wise counsel, and guidance.

FY2020 has been a remarkable year for Solarvest as we unlocked several milestones in our corporate history. This was made possible by the collective hard work from all the employees in Solarvest. We would like to take this opportunity to thank all "Solarvees" for their unwavering dedication, commitment and excellent performance throughout the years.

We believe that, together, we will be able to realize our vision to be a leading solar PV player that provides innovative and clean energy solutions to the world.

Thank you.

LIM CHIN SIU
Managing Director

EDMUND TAN
Executive Director

DAVIS CHONG
Group Chief Executive Officer

SUSTAINABILITY STATEMENT

At SOLARVEST, sustainability is not just a motto but a core value implanted to our corporate culture and the entire business environment.

INTRODUCTION

Solarvest is cognisant of its responsibility to embrace the core value of sustainability into our corporate culture and business practices in order to achieve continuing growth and long-term success for the Group and various stakeholders.

The Board is pleased to present the first Sustainability Statement for the financial year ended ("FYE") 31 March 2020. Our Sustainability Statement aims to illustrate our strategic approaches in addressing sustainability challenges and opportunities within Economic, Environmental and Social contexts.

ASSESSMENT OF MATERIAL MATTERS

We have conducted an assessment to identify a list of Material Matters. Please refer to our Material Matters Matrix within this Statement.

BASIS OF THIS STATEMENT

This Sustainability Statement was prepared in a manner as prescribed by Bursa Malaysia Securities Berhad ("Bursa Securities"), in accordance with the ACE Market Listing Requirements and Sustainability Reporting Guide and Toolkits issued by Bursa Securities.

SCOPE OF THIS STATEMENT

This Sustainability Statement covers the sustainability efforts and performances in Solarvest and its subsidiaries for the financial period from 1 April 2019 to 31 March 2020 in the contexts of Economic, Environmental and Social.

Subsidiaries refers to all companies in which Solarvest holds a majority stake or has direct management control.

ASSURANCE

This Statement has been prepared based on all available internal information.

FEEDBACK

In order to increase our sustainability measuring and reporting standards, we welcome stakeholders' feedback on this Statement and any of the matters covered. Comments and queries related to this Statement can be directed to invest@solarvest.my.

SUSTAINABILITY STATEMENT
(cont'd)

OUR SUSTAINABILITY COMMITMENT

Solarvest Group strive to become a leading downstream player in the solar photovoltaics ("PV") industry, providing a full-fledged engineering, procurement, construction and commissioning ("EPCC") services to customers while creating a sustainable contribution to the economy, environment and the surrounding society.

OUR VISION

A World Generated by Renewable Energy

OUR MISSION

To provide our clients the highest quality and value-added turnkey solar energy solutions, and thereby bring superior financial return on their investment

The Group is committed to create sustainable value to our customers, employees, investors and other stakeholders. Our commitment to sustainability has been embodied in the Group's vision and mission and deep-rooted in our corporate culture.

Our passions and efforts in promoting solar PV for a greener future has been recognised by the Asia Pacific Business Council for Sustainability as the Top 100 Most Influential Sustainable Entrepreneur in Year 2018.

OUR SUSTAINABILITY STRATEGY

Business sustainability is integral to the way we plan our business activities. Our business strategy is to drive long term corporate growth and profitability by mandating the inclusion of economic, environmental and social considerations in our business model. We continued to set standards and frameworks and adopt innovative means to sustain and amplify our sustainability efforts in our business strategy to reduce risks and take advantage of business opportunities.

A strong synergetic relationship amongst the company stakeholders, communities and the surrounding environment, Solarvest can continue in producing clean energy services that are not only profitable but also economically and environmentally sustainable.

Our sustainability strategy is formulated based on the three (3) pillars of sustainability; Economic, Environment and Social as follow: -

Sustaining Economy

- ✓ To grow and expand the business of the Group.
- ✓ To deliver quality products and services.
- ✓ To deliver sustainable returns to shareholders.

Economic

Conserving Environment

- ✓ To promote the usage of solar PV system for a greener future.
- ✓ To protect and preserve the environment.

Environment

Caring People

- ✓ To ensure a healthy and balanced workplace for our employees.
- ✓ To contribute to the wellbeing of the community.

Social

SUSTAINABILITY GOVERNANCE

Board of Directors

Ultimate accountability for the Group's sustainability initiatives and strategies

Audit Committee

To monitor the Group's internal controls system to ensure good business practices and business efficiency

Risk Management Committee

To oversee the Group's risk management activities and ensure the risk management procedures are operating as intended

Remuneration Committee

To establish remuneration policy and fixing remuneration packages in a way that motivate Directors and senior management to enhance the Group's long-term value

Nomination Committee

To assess and oversee matters relevant to the appointment of suitable new candidates to fill up seats in the Board

Management

To oversee the implementation of the Group's sustainability strategies and ensure key targets are being met

Operations

To implement the Group's sustainability strategies

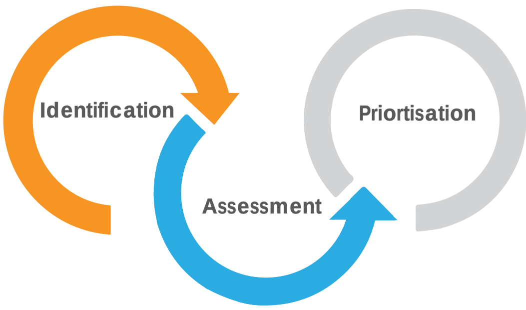
The Board has an essential responsibility to lead and oversee the Group's sustainability initiatives and strategies while providing guidance to the sustainability management. The Board recognises that risk management and internal controls system are integral to our corporate governance and vital to our business sustainability. Hence, the Board has delegated the responsibilities to review the adequacy and effectiveness of the Group's risk management and internal controls systems to the Risk Management Committee and Audit Committee. Meanwhile, the Group's performance is also tracked with the assistance of Nomination and Remuneration Committee.

Solarvest Group upholds the principles of good corporate governance and ethical business conducts across the entire business operations so as to maintain and protect our stakeholders' trust and interest. Code of Conduct and Ethics ("Code") has been established to serve as guidance and promote ethical behaviors. Whistleblowing policy has also been established to provide an avenue to various stakeholders a direct channel for reporting instances of misconduct that contradict to our Code and/or any other non-compliance incidents/offences. Both Code and the Whistleblowing Policy are available on our website at https://solarvest.my.

SUSTAINABILITY STATEMENT
(cont'd)

ASSESSMENT OF MATERIAL MATTERS

In an ever-changing business environment, materiality assessment is critical for our Group to identify and prioritise any material sustainability matters which are significant to our business operations and interest of our various stakeholders. The Group uses a rating approach to assess the significance of each sustainability matter and the degree of its impacts. The outcomes of the assessment are depicted in a materiality matrix according to their importance to Solarvest and its stakeholders. Our materiality assessment approach is as follows: -

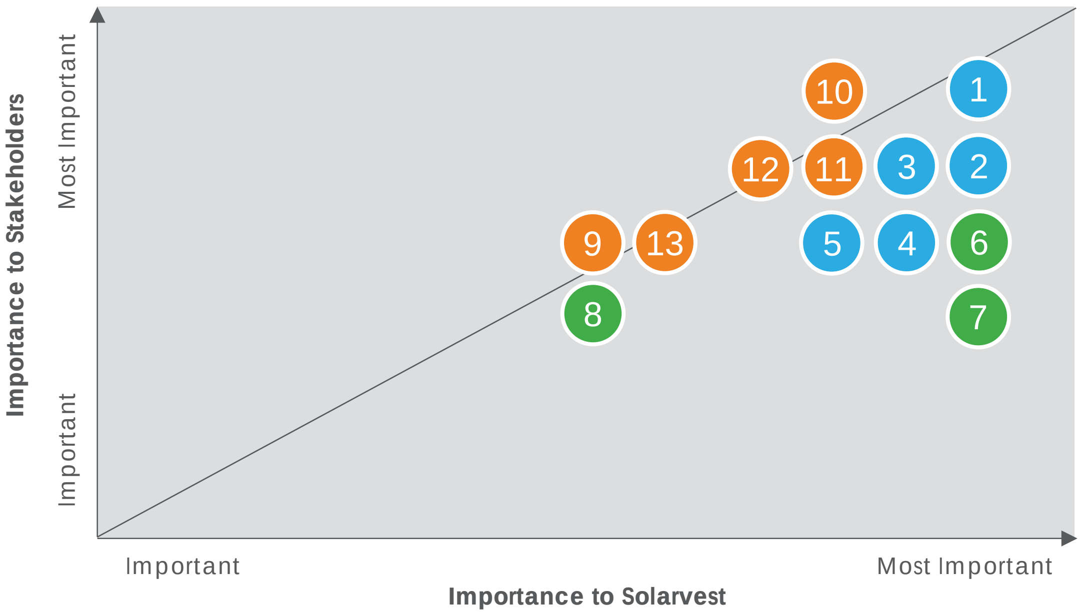


Identify sustainability matters that are relevant to the Group's operations.

Assess the material matters from both business and stakeholders' perspectives.

Rank each material matter by prioritising according to the analysis of impacts to stakeholders and our business.

Based on our assessment, we have identified and ranked thirteen (13) key areas which matter the most to our Group and our stakeholders, scaling from "Important" to "Most Important" in the following **Material Matters Matrix**: -



Economic	Environment	Social
1 Business Growth and Expansion	6 Environmental Compliance	9 Corporate Social Responsibility Program
2 Ensuring Products and Services Quality	7 Our Business Impact to The Environment	10 Occupational Health and Safety Management
3 Customer Satisfaction	8 Energy Management	11 Human Capital Development
4 Technological Innovation and Development		12 Labour Practices
5 Supplier Management		13 Employee Engagement

SUSTAINABILITY STATEMENT
(cont'd)

STAKEHOLDER ENGAGEMENT

We truly believe that our continuous business success relies on the strong and long-lasting relationships with our key stakeholders. Engagement with various stakeholders allows us to gain understanding of their needs and expectations. Our engagement approaches with key stakeholders are as follows: -

Stakeholders	Area of Interest/ Material Matters	Engagement Approaches
Board of Directors	✓ Business growth and expansion plans ✓ Financial and operational performances ✓ Risk management and internal controls ✓ Interest of all stakeholders	➢ Board meetings ➢ General meetings ➢ Company events
Shareholders/ Investors	✓ Return on investment ✓ Financial and operational performances ✓ Share price performance ✓ Associated risks ✓ Corporate governance and business management	➢ Quarterly financial results ➢ Annual report ➢ General meetings ➢ Bursa announcements ➢ Press releases ➢ Company website and social media platforms ➢ Investor briefing sessions
Employees	✓ Career growth and opportunities ✓ Learning and development ✓ Workplace health and safety ✓ Competitive compensation and benefits	➢ Training and development program ➢ Performance evaluation and appraisal ➢ Engagement with management ➢ Company social events
Customers	✓ Products and services quality assurance ✓ Customers satisfaction ✓ Technological and product innovation ✓ Competitive pricing and on-time delivery	➢ Advertisement ➢ Face-to-face interaction ➢ Customer feedback survey ➢ Company website and social media platforms
Suppliers	✓ Sustainable business relationship ✓ Supplier selection and credit terms ✓ Procurement process	➢ Supplier evaluation ➢ Email communication ➢ Face-to-face interaction
Government	✓ Laws and regulations compliance ✓ Licenses and permits ✓ Corporate governance	➢ Compliance audit ➢ Licenses and permits renewal ➢ Meetings/ visit ➢ Bursa announcements and press release
Community	✓ Jobs creation and economic support ✓ Wellbeing of the community ✓ Environmental impact of the business	➢ Company website and social media platforms ➢ Corporate social responsibility programs
Analyst/Media	✓ Financial and operational performances ✓ Share price performance ✓ Business growth and expansion plans ✓ Corporate governance	➢ Quarterly financial results ➢ Annual report ➢ Meetings and interviews ➢ Company announcements and press release ➢ General meetings

SUSTAINABILITY STATEMENT
(cont'd)

ECONOMIC

BUSINESS GROWTH AND EXPANSION

We started our journey in Year 2012 with the vision to build a future where clean energy is easily accessible by the public. We are one of the first movers who has obtained the certifications from Sustainable Energy Development Authority ("SEDA"), Institute for Sustainable Power Quality ("ISPQ") and Grid-Connected Solar Photovoltaic ("GCPV") in Malaysia.

Target: -

To grow and expand our businesses continuously.

For the past few years, our business has grown tremendously and we have achieved a key milestone by having Solarvest listed on the ACE Market of Bursa Securities in November 2019.

Solarvest is eager to grow and expand its business continuously. During the FYE 31 March 2020, our key business growth and expansion initiatives include the followings: -

(i) Collaboration with Allianz General Insurance Company (Malaysia) Bhd ("Allianz General") and Anora Agency Sdn Bhd ("Anora")

Solarvest has entered into a Memorandum of Understanding ("MOU") with Allianz General and Anora, the agency partner of Allianz General on 19 September 2019. Under the MOU, Allianz General and Anora will be protecting Solarvest's business, assets and projects with its range of insurance solutions, including the SolarPro All Risk Insurance, which is exclusively distributed by Anora. With SolarPro, Solarvest's customers will not only be able to access a network of qualified service providers to maintain and repair their assets, but also to receive compensation for loss of income in the event of downtime or damages to their solar PV system. This shall encourage the installation of solar PV systems as the associated risks are mitigated.

(ii) Collaboration with United Overseas Bank (Malaysia) Berhad ("UOB")

At the 10th International Greentech & Eco Products Exhibition & Conference Malaysia ("IGEM") 2019 held between 9 to 11 October 2019, Solarvest and UOB entered into a formal partnership to create more awareness campaigns and nationwide roadshows to encourage the use of green energy, in particular solar PV, amongst the commercial, industrial and residential segments. By teaming up with UOB to provide customised financial solutions, this shall further encourage the installation of solar PV systems as the initial investment cost is reduced.

(iii) Expansion of Services Range

Solarvest had on 24 December 2019 set up a subsidiary company, namely Solarvest Asset Management Sdn Bhd ("SAMSB") to facilitate the expansion of the Group's businesses into solar leasing and other related activities. SAMSB will provide finance leasing service in relation to the solar rooftop projects undertaken or to be undertaken by Solarvest Group.

(iv) Overseas Business Expansion

Solarvest had on 5 February 2020 set up a subsidiary in Taiwan, namely Solarvest (Taiwan) Corporate Limited with the intention to tender and undertake solar PV projects in Taiwan. We are also in the midst of setting up a subsidiary in Philippines.

SUSTAINABILITY STATEMENT
(cont'd)

ECONOMIC (CONT'D)

TECHNOLOGICAL INNOVATION AND DEVELOPMENT

We constantly seek to deliver the most viable solar PV solutions to our customers in an effective and efficient manner. As technology plays a pivotal role in running our business effectively and efficiently, it is very important to keep ourselves updated with the latest relevant technologies and continue to involve in research and development ("R&D") for further improvement on our solar PV system.

Target: -

To participate in R&D continuously.

For the FYE 31 March 2020, Solarvest has collaborated with three (3) local universities, namely Universiti Tunku Abdul Rahman ("UTAR"), Universiti Teknologi MARA ("UiTM") and University of Malaya ("UM") for a R&D project to research on practical improvement on the design of solar system in Malaysia.

The collaboration is jointly funded by Solarvest and the Public-Private Research Network ("PPRN") program, an initiative by the Ministry of Higher Education to encourage joint efforts of the academics and the industry players for technology innovations. The research is participated by several field experts from the three (3) universities.

Ultimately, the findings of this research will be implemented in the solar PV system design of the Group's projects.

ENSURING PRODUCTS AND SERVICES QUALITY

Target: -

To ensure and improve products and services quality continuously.

We understand that strong branding image and positive reputation are backed by good quality of products and services provided. We apply stringent requirements and standards in our business operations to ensure our products and services are of high quality and as part of our commitments in meeting customers' expectations.

Our Quality Management System is accredited with the ISO 9001:2015 certification since Year 2017, under the scope of "solar energy engineering service provider including design, procurement, construction and maintenance services".

SUSTAINABILITY STATEMENT
(cont'd)

ECONOMIC (CONT'D)

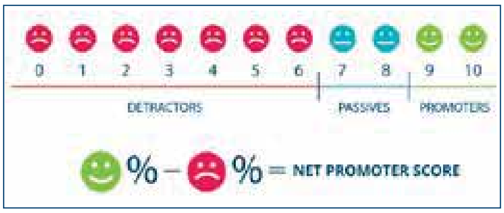
CUSTOMER SATISFACTION

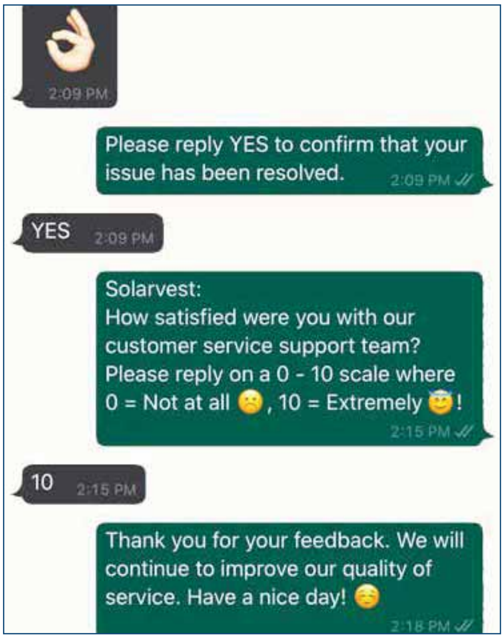
Solarvest places heavy emphasis on customer satisfaction as it has positive correlation to the quality of its products and services. Feedback are obtained from customers to assess for continuous improvements.

Target: -

To meet 65% of Net Promoter Score.

We have established a customer satisfaction rating system and the ratings were collected by our customer service team via WhatsApp upon completion of our field services. The ratings will be uploaded to our Enterprise Resource Planning ("ERP") System for computation of Net Promoter Score.





Our target is to meet 65% of Net Promoter Score. The monthly customer satisfaction rating analysed in term of Net Promoter Score are depicted as follows: -

For the FYE 31 March 2020, our field services team managed to achieve its target in the month of April 2019 and March 2020.

We shall continue to improve our services in order to achieve our target consistently throughout the year moving forwards.

SUPPLIER MANAGEMENT

Suppliers are one of the key components in our business chain. To ensure suppliers' materials/ services quality and pricing meet our requirements, we carry out supplier evaluation annually and rule out any suppliers who do not meet our requirements. The evaluation criteria include quality/workmanship, cost, delivery and terms for payment.

In support of the local economy, we have sourced raw materials such as cables and low voltage electrical system locally for our projects in several significant operation sites.

Target: -

(i) To source from suppliers that meet our supplier evaluation rating.

(ii) To support local purchases, where viable.

SUSTAINABILITY STATEMENT
(cont'd)

ENVIRONMENT

ENVIRONMENTAL COMPLIANCE

As a Solar EPCC Service Provider, we recognise and consider the environmental impact of our site activities. We actively promote compliance with regulatory requirements for environmental protection and adopt best industry practice through management of the sub-contractors.

Target: -

To comply with local environmental regulations.

Scheduled waste generated are properly disposed of by registered contractors to the approved treatment premises and disposal facilities while non-hazardous solid waste, including construction waste and domestic waste, are disposed of at regulated landfills. We continue to monitor sustainability including environmental matters carefully in all project sites.

OUR BUSINESS IMPACT TO THE ENVIRONMENT

Target: -

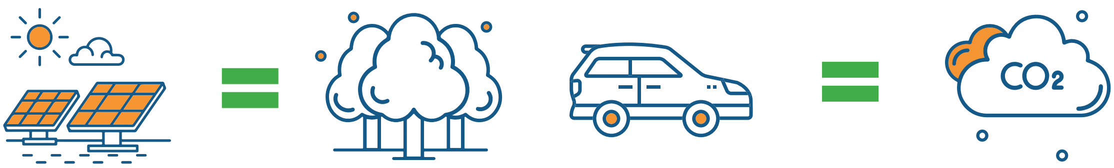
To build a greener future by increasing the number of solar PV systems projects.

Solarvest Group is in a business that promotes the usage of solar energy, a type of clean and renewable energy. Hence, continuous growth and expansion of our business shall bring greater positive impact to the environment.

As at 31 March 2020, Solarvest Group managed to complete solar PV systems installation projects with a cumulative total capacity of approximately 280MWp.

Based on our internal assessment, this could potentially equivalent to planting an estimate of 11,305,891 trees on the mother earth or taken off an estimate of 33,940 cars from the road which could effectively reduce the level of carbon dioxide ("CO_2") in the air by an estimate of 248,730 tonnes.

Projects Cumulative Total Capacity		Planting	Taken Off		Effectively Reduce
280 MWp	=	11,305,891 No. of Tree	33,940 No. of Car	=	248,730 Tonnes of CO_2



ENERGY MANAGEMENT

Solarvest is currently in exploration of energy management with Artificial Intelligence of Things ("AIoT") Solar Solutions that comes with advanced monitoring and control for renewable assets. With the Energy Management System, it could help to conserve energy usage by identifying the excess usage in the facility.

Target: -

To conserve energy usage.

On the other hand, we encourage our employees to conserve energy usage during business operations by switching off unnecessary electricity power and leveraging on technology to conduct virtual meetings to save fuel energy on transporation.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL

CORPORATE SOCIAL RESPONSIBILITY PROGRAMS

Being a responsible corporation, Solarvest is committed to foster the growth of both economic and social development in all areas where it operates. Given that caring for communities and societies are fundamental features of the Group's approach to social sustainable development, the Group has made contributions or participated in several events in the FYE 31 March 2020 as summarised below.

Target: -

To contribute and enrich the local community.

Support Fights Against Covid-19

At Solarvest, we stand in solidarity with the communities that we serve, in good and bad times. We believe everyone has a role to play in the current Covid-19 pandemic.

We have donated 1 million medical gloves worth approximately RM150,000 through the Supermax Foundation to support Malaysian authorities such as government hospitals, police stations and the healthcare industry's front liners in combating the Covid-19 pandemic.

In addition, we have also donated 1,300 pieces of PPE Isolation Gown worth approximately RM80,000 to Hospital Sultanah Bahiyah.

Green Technology Awareness Campaign

To support Malaysian Investment Development Authority's ("MIDA") effort in promoting Green Technology, Solarvest partnered with UOB in a series of awareness campaign and roadshows to promote the use of green technology, particularly solar PV for the commercial, industrial and residential users.

Offer Employment Opportunities

Rapid growth and expansion of our businesses have in turn created greater employment opportunities to the society. During FYE 31 March 2020, we have offered a total of 34 new job positions in line with our growth in business.

Visits to Old Folks Home

For the FYE 31 March 2020, we have visited several Old Folks Home located at Penang, Selangor and Johor to share our care and love to the elderly with some essential goods.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY PROGRAMS (CONT'D)

Internship Program

Solarvest believes in nurturing the young generations as part of the corporate social responsibilities as young generations shall become the future pillars of the world.

The Group has an on-going internship program to provide opportunities to the students who wish to gain a deeper insight on our works within solar PV industry or gain some exposures on the actual corporate world. We welcome students from various educational backgrounds and various geographical locations. In the past, we have interns coming from both locally and internationally, e.g. France.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

DYNAMIC WORKPLACE

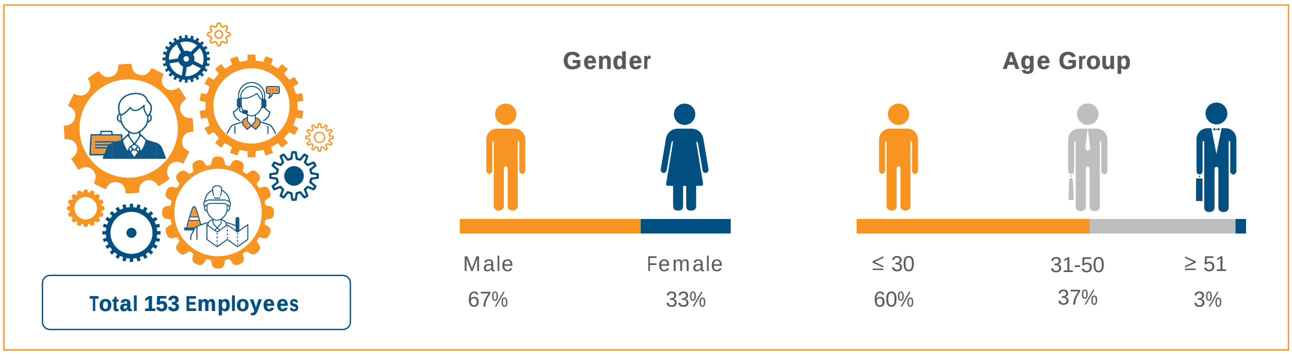
Human capital is the Group's key asset. Solarvest relies on its people's diversified skills and experiences to obtain a sustainable business growth. Hence, Solarvest is committed to create a dynamic and motivating working environment that can attract, retain and develop new/existing talents and to unleash the unlimited potentials in them.

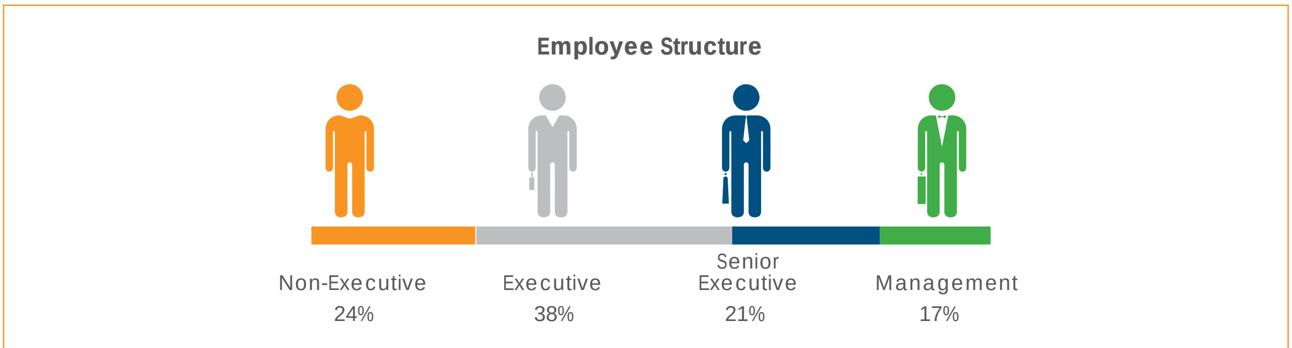
Target: -

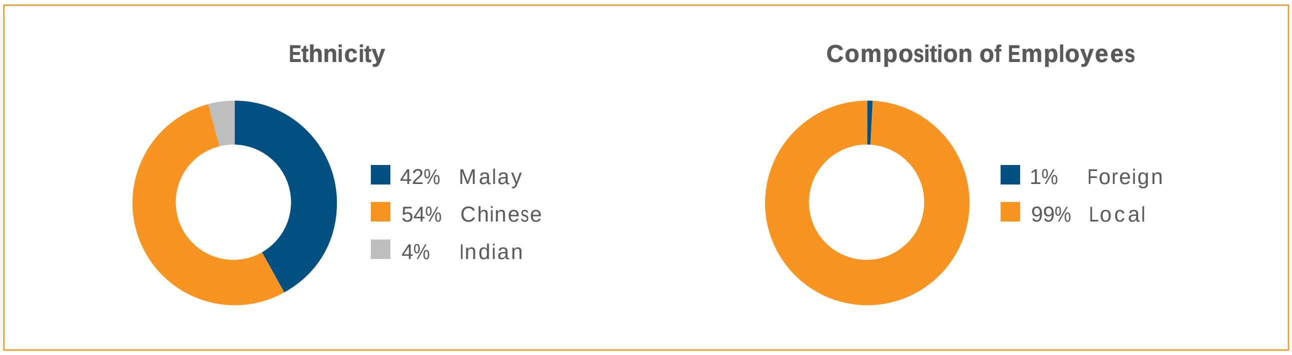
To embrace a diverse, and multi-cultural workplace.

Solarvest is gratified to have a diverse and multi-cultural workforce consisting of highly skilled solar PV industry professionals and experienced multi-background personnel.

As at 31 March 2020, we have a total of 153 employees analysed as follows: -







For the FYE 31 March 2020, our annual staff turnover rate is around 20%. We are dedicated to keep our annual staff turnover rate at 20% or below moving forward.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT

Solarvest prioritises the health and safety of our people and ensures health and safety culture is always integrated in our daily business operations.

We have established an Occupational Safety, Health and Environmental Policy to serve as fundamental guidelines in ensuring high level of health and safety standards for our employees.

Target: -

To provide an injury and accident free working environment.

KEY OCCUPATIONAL SAFETY, HEALTH AND ENVIRONMENTAL POLICY

- To conduct operations in accordance with all applicable regulations (OSHA 1994 & its Regulations, FMA 1967 & its Regulations) and other necessary requirements pertaining to occupational safety, health and environment at workplace.
- To achieve injury free environment by creating strong safety, health and environmental awareness through high involvement of Management and all level of employees.
- To ensure all employees actively participate in all measures taken on prevention of accidents, injuries and damages to health and environment.

To facilitate the management of occupational safety and health initiatives, we have established a Safety and Health Committee as follows: -

Lim Chin Siu
Managing Director

Wang Joo Soon
Construction Manager

Anand A/L Chandra Segaran
Safety Health Officer

Mohd Ridhwan Bin Rosli | **Siti Noor Amira Binti Othman** | **Mohd Shahrul Ikram Bin Mohd Maliki** | **Visshu A/L Ganesan** | **Reenusha A/P Pakianathan**

Site Safety Officer for Various Projects

Due to our stringent management on occupational safety and health matters, there was only one (1) minor, first-aid type injury reported during FYE 31 March 2020. However, we are striving to achieve injury or accident free in our working environment moving forward.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT (CONT'D)

Safety Training

During FYE 31 March 2020, we have provided several safety trainings to ensure our employees have good understanding on the safety requirements.

Lifting Procedure & Awareness Training Conducted On Site

Importance of PPE Usage at Construction Site

Internal Fire Extinguisher Usage Training

Covid-19 Pandemic

Due to the outbreak of Covid-19 in Year 2020, we have conducted medical surveillance and Covid-19 testing for our employees to ensure our people are free from Covid-19 before entering workplace upon obtaining work permit from Ministry of International Trade and Industry ("MITI") during the Movement Control Order period. None of our employees were tested positive for the Covid-19.

We follow strictly to the standard operating procedures ("SOP") advocated by the local authorities and take necessary steps to ensure our working environment is always safe for the employees.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

HUMAN CAPITAL DEVELOPMENT

The wellbeing and continuous development of our people are the key factor in supporting our Group's growth and success. We prioritise manpower planning, talent acquisition, on-boarding and engagement, training and development, performance management as well as succession planning.

Target: -

To provide an average of 20 training hours per employee per annum.

Employee Category	Average Training Hours
Management	39
Senior Executive	45
Executive	38
Non-Executive	30

Solarvest is committed to support continuous development of our employees by providing necessary trainings. The Group has set a target to provide an average of 20 training hours per employee per annum and we are glad that we have not only achieved but exceeded the target.

Solarvest has invested approximately RM144,000 for employee's training and development during FYE 31 March 2020. The summary of our training and development programs is shown as follow: -

Training Conducted in FYE 31 March 2020	
NIOSH TNB Safety Passport – Level 1 Construction Industry Payment and Adjudication Act (CIPAA) Governance, Risk and Control: Roles of The Directors, Management and Auditors Drone Training	April 2019
Field Marketing Training	May 2019
Sales Unity Training Green Construction ISO9001:2015 QMS Foundation ISO9001:2015 QMS Internal Auditor Dale Carnegie | Leadership	June 2019
Sun Shine on Future of Solar Powering Future – PV Industry in Malaysia Working at Heights Safety Training Know Your Terms of Contract Issues regarding Payment, Variation, Extension of Time & Termination Factory Acceptance Test Developing an Impactful Marketing Plan	July 2019
Introduction to Competency Based Interviewing Net Energy Metering NEM & SELCO Briefing NIOSH TNB Safety Passport - Level 1	August 2019
Drone Training 2.0 132kV & 25kV EHV Switchyards – Technical Considerations Seminar on Recommendations for Small Renewable Energy and Hybrid System For Rural Electrification Leoni – DC Cable Customer Service Excellence	September 2019

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

HUMAN CAPITAL DEVELOPMENT (CONT'D)

Training Conducted in FYE 31 March 2020	
NIOSH TNB Safety Passport - Level 1 Project Training PV System Quality and Test PV Module Tech Conference	October 2019
Customer Service Training Solar System Brief Introduction Benefits of Perkeso	November 2019
5th ASEAN Smart Grid Congress 2019 ASEAN Electrotechnical Symposium & Exhibition 2019 Effective Result Based KPI for Organisational Success SEDA GCPV Design Course Recruitment Process Project SOP and Epicor Guide	December 2019
Goal Setting Understanding Employers & Employees Payroll Taxes	January 2020
Intensive Course on PV system for Technical Personnel TIGO training GCPV System Seminar	February 2020
Power Factor	March 2020

LABOUR PRACTICES

Fair Recruitment

- ✓ Recruitment, selection and promotion in a fair, objective, equitable, consistent and non-discriminatory manner.
- ✓ All decisions are made according to the merit and guided by respect, diversity, integrity and accountability as well.

Humane Treatment & Non-Discrimination

- ✓ Ensure employees are working in a humane workplace. Any harsh or inhuman treatment is strictly prohibited.
- ✓ Employees must be treated in an equal manner regardless of their race, gender, religion, political opinion, nationality or social origin.

Rights to Freely Choose Employment

- ✓ Involuntary prison labour and slavery or trafficking of people are strictly prohibited to ensure a voluntary workforce.
- ✓ Employees have the rights to leave the employment freely upon reasonable notice.

Working Hours, Wages & Benefits

- ✓ Employees' working hours and compensation paid are comply with all applicable labour laws and regulations.
- ✓ Employees should be allowed for at least 1-day off every week.
- ✓ Employees are clearly informed about their wages and benefits and shall be paid on timely basis.

SUSTAINABILITY STATEMENT
(cont'd)

SOCIAL (CONT'D)

LABOUR PRACTICES (CONT'D)

Employees Benefits

In general, our employees are provided with the following benefits according to their respective job grade and/ or years of service: -

- Annual Leaves
- Marriage Leaves
- Maternity Leaves
- Paternity Leaves
- Compassionate Leaves
- Prolonged Illness Leaves
- Gifts
- Outpatient Medical Benefits
- Company Maxis Phone Line
- Phone Allowances
- Travelling Allowances
- Group Personal Accident Insurance
- Group Hospitalisation and Surgical Insurance

EMPLOYEE ENGAGEMENT

Solarvest actively engages with employees through various company events to create a close bonding and motivating working environment. Various events were organised to get employees close and develop sense of belonging: -

Solarvest Listing Celebration

26 November 2019 was a special date for Solarvest as it marked a significant milestone for the Company to be listed on the ACE Market of Bursa Securities. Grand celebration was held at The Oak Room, Bangsar South at the night itself to celebrate the successful listing of Solarvest and to appreciate the hard works and great efforts of all the employees and professionals that contributed to the success.

Raya Celebration

We celebrated Hari Raya where employees were dressed up in Malay traditional attires and our offices were decorated for the Raya festive month.

Company Trip

We had our company trip to Krabi, Thailand this year. We cherished our employees' hard works and efforts by rewarding them a fun and relax holiday. Stronger bonding was developed and we are motivated to work harder. Play Hard! Work Hard!

Christmas Celebration

Merry Christmas! Employees were dressed up in red, theme colour of the day. We enjoyed the food and drinks. Also, there was an interesting and memorable Christmas gift exchange session.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Solarvest Holdings Berhad ("Solarvest" or "the Company") values the importance of corporate governance and strives to ensure that high standard of corporate governance is practiced within the Company and its subsidiaries ("the Group") in discharging its responsibilities with transparency, integrity and professionalism to protect and enhance long-term shareholders' value while safeguarding the interests of all stakeholders.

This Corporate Governance Overview Statement is prepared in compliance with the Rule 15.25 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") with the guidance from Guidance Note 11 of AMLR and is to be read together with Corporate Governance Report of the Company for the financial year ended ("FYE") 31 March 2020. The comprehensive Corporate Governance Report describes how the Board applies the main principles of good governance during the year under review and it is accessible on the Company's website at https://solarvest.my.

The Board is pleased to share below the manner by which the Company currently comprehends the key principles of good governance and the extent to which it has applied and reported best practices prescribed under the Malaysian Code on Corporate Governance 2017 ("MCCG") for the FYE 31 March 2020.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1: BOARD RESPONSIBILITIES

1 Board Responsibilities

1.1 Board's Role and Responsibilities

The Board is primarily responsible for the Group's overall strategic plans, long term goals and objectives, overseeing the business performance, proper conduct of the Group's business, risk management, internal controls, corporate governance practices, succession planning, investor relations, shareholders' communication and regulatory compliance matters. The Board set the Group's vision, mission and values and communicated these vision and mission across the management in the Group to ensure that its obligations to its shareholders and other stakeholders are understood and met. The vision, mission and values of the Company are available at the Company's website at https://solarvest.my.

Managing Director ("MD") and Executive Directors ("ED"), with the support from the Group Chief Executive Officer ("Group CEO") shall provide leadership and oversee the daily management and operation of the Group within their assigned responsibilities, including organisational effectiveness, performance monitoring, implementation of corporate policies and strategies as well as resources allocations with the ultimate aim of achieving the Group's strategic goals and objectives. They are assisted by the senior management in managing the business activities of the Group in the manner that is consistent with the policies, standards, guidelines, procedures and/or practices of the Group and in accordance with the specific plans, instructions and directions set by the Board.

MD and ED shall report to the Board on major management and operational issues, including but not limited to corporate strategies, major capital expenditures or divestitures, material contracts and litigation.

All the Independent Non-Executive Directors are independent from the MD and ED, management and major shareholders of the Company, and are free from any business or other relationship with the Group that could materially interfere with the exercise of their independent judgement. This offers a strong check and balance on the Board's deliberations and decision making process.

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

1.1 Board's Role and Responsibilities (Cont'd)

The Independent Non-Executive Directors of the Company play a key role in providing unbiased and independent views, advice and contributing their knowledge and experience toward the formulation of policies and in the decision-making process. The Board structure ensures that no individual or group of individuals dominates the Board's decision-making process. Although all the Directors have equal responsibility for the Company and the Group's operations, the role of the Independent Directors are particularly important in ensuring that the strategies proposed by the MD and ED are deliberated on and have taken into account the interest, not only of the Company, but also that of the shareholders, employees, customers, suppliers, communities and local authorities.

To ensure the effective discharge of its responsibilities, the Board delegates specific powers to other Board Committees, namely Audit Committee, Risk Management Committee, Nomination Committee and Remuneration Committee to ensure appropriate checks and balances in discharging its oversight function. These committees operate under the clearly defined terms of references as approved by the Board to oversee and deliberate matters within their purview.

1.2 Chairman of the Board

The Chairman of the Board, Dato' Che Halin Bin Mohd Hashim, an Independent Non-Executive Chairman who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board. He is not involved in the day-to-day management of the Group's business and has no other relationship that could materially interfere his objective judgements.

The key responsibilities of the Chairman include:

i) Providing leadership for the Board in its oversight of the management;
ii) Establishing agenda for Board meetings in consultation with the CEO/Executive Directors/ Company Secretaries and ensuring that complete, timely, relevant and accurate information is placed before the Board so that Directors have sufficient time to consider issues to be deliberated at the Board meeting and expedites the decision-making process;
iii) Presiding over Board and general meetings and ensuring that efficient organisation and conduct of the meetings;
iv) Ensuring that appropriate steps are taken to provide effective communication with stakeholders and their views are communicated to the Board as a whole; and
v) Leading the Board in establishing and monitoring good corporate governance practices and procedures in the Company.

The roles and responsibilities of the Chairman of the Board have been clearly specified in the Board Charter, which is available on the Company's website at https://solarvest.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

1.3 Separation of Positions of the Chairman, MD and Group CEO

The positions for the Chairman of the Board, MD and Group CEO are held by different individuals, the Chairman of the Board is Dato' Che Halin Bin Mohd Hashim, the MD is Mr. Lim Chin Siu and the Group CEO is Mr. Chong Chun Shiong.

The roles of the Chairman, MD and Group CEO are held by three different individuals with a clear division of responsibilities to ensure balance of control, power and authority. The Independent Non-Executive Chairman is primarily responsible for leading the Board in its collective oversight of management and ensure the effectiveness of the Board matters. The MD is primarily responsible for our Group's overall business strategy and corporate direction while the Group CEO is responsible for overseeing our Group's daily operations and implementation of organisation wide strategies.

The Board has delegated its responsibilities for the daily management of the Group's operations and business as well as implementation of the Board's policies and decisions to the MD, ED and the senior management of the Group. The separation of roles and responsibilities between the Chairman of the Board and Group CEO can be found in the Board Charter, which is available on the Company's website at https://solarvest.my.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) suitably qualified and competent Company Secretaries to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices. Both Company Secretaries are qualified Company Secretary as per Section 235(2)(a) of the Companies Act, 2016.

During the FYE 31 March 2020, the Company Secretaries had discharged their duties and responsibilities accordingly, had and will continue to keep themselves abreast on matters concerning company laws, the capital market, corporate governance, changes in regulatory environment and other pertinent matters through continuous training and industry updates and also ensure that deliberations of Board and Board Committee meetings are well documented.

The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.

1.5 Access to Information and Support for Directors

For the current financial year under review, in facilitating the Board and the Board Committees' meetings, the notices of meetings together with the agenda, minutes of previous meetings, and other relevant supporting papers were circulated to the Board members at least five (5) working days prior to the scheduled meetings to ensure sufficient time for all Board members to review and deliberate on such matters accordingly and when required, to obtain further information and clarification to facilitate well-informed decision making during the meeting.

All matters raised, discussions, deliberations, decisions, and conclusions including dissenting views made at the meeting were recorded in the minutes of meeting and the minutes shall be circulated in a timely manner.

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs and has unrestricted access to the management, services of Company Secretaries, Internal and External Auditors, to enable them in discharging their duties and responsibilities effectively.

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

2 Demarcation of Responsibilities

2.1 Board Charter

As part of the governance process, the Board has adopted a Board Charter which serves as a source of reference for the Directors. The Board Charter clearly outlines the respective duties and responsibilities of the Board, Board Committees, individual Directors, the Group CEO and the senior management providing amongst others, guidance and clarity on their roles and responsibilities as well as outlining the issues and decisions which are reserved for the Board's approval.

The Board has established the following Board Committees to assist in discharging its duties:

i) Audit Committee
ii) Nomination Committee
iii) Remuneration Committee
iv) Risk Management Committee

The terms of reference of the abovementioned Board Committees are available at the Company's website at http://solarvest.my. The composition and summary activities of the Board Committees are set out separately in the Audit Committee Report and the Corporate Governance Overview Statement in the Annual Report of the Company for the FYE 31 March 2020.

While the Board may appropriately delegate its authority to Board Committees, it should not abdicate its responsibility and should at all times exercise collective oversight of the Board Committees.

The Board Charter is reviewed periodically as and when necessary to ensure it remains consistent with the Group's policies and procedures, the Board's overall responsibilities as well as changes to the relevant legislation and regulations. A copy of the Board Charter is available at the Company's website at https://solarvest.my.

3 Good Business Conduct and Corporate Culture

3.1 Code of Conduct and Ethics

The Group has adopted a Code of Conduct and Ethics ("the Code") and the Code is to be observed by all Directors and employees of the Group and it will be reviewed by the Board regularly to ensure relevance and appropriateness.

The Code outlines the procedures and policies that include but not limited to managing conflicts of interest, bribery and corruption, insider trading and money laundering.

The Code and Anti-Bribery and Corruption Policy are published on the Company's website at https://solarvest.my.

3.2 Whistle-Blowing Policy

The Board has adopted a Whistle Blowing Policy to provide an avenue for all employees of the Group and members of the public to raise concerns and disclose fraud, bribery, corruption, money laundering, conflict of interest, abuse of power and other improper conduct within the Group and to take appropriate actions to resolve them effectively.

An investigation will be carried out by a person who is independent from the reported incident to ensure an objective and independent investigation process in addressing legitimate concerns raised.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 1: BOARD RESPONSIBILITIES (CONT'D)

3 Good Business Conduct and Corporate Culture (Cont'd)

3.2 Whistle-Blowing Policy (Cont'd)

It is in our Whistle Blowing Policy that individuals should be able to raise concerns about illegal, unethical or questionable practices in confidence and without the risk of reprisal. Any harassment or retaliation in any form or manner against a genuine whistle-blower is a serious violation of Whistleblower Protection Act 2010, which if proven, may lead to serious disciplinary action, including, without limitation, termination of the relevant employment, or contract/agreement, as the case may be.

The Board shall review the Whistle Blowing Policy from time to time to ensure it remains relevant and appropriate. The Whistle Blowing Policy is available on the Company's website at https://solarvest.my.

PART 2: BOARD COMPOSITION

4 Board Diversity

4.1 Board Composition

The Company has a diverse Board consists of six (6) members comprising an Independent Non-Executive Chairman, two (2) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors at present. The current composition fulfils the requirements of Practice 4.1 of MCCG which stipulates that at least half of the Board comprises independent director.

The Board recognises the benefits of having a diverse Board with an appropriate mix of skills, knowledge, experience and independent elements that fit the Company's objectives and strategic goals as these shall ensure that no individual or group of individuals dominates the Board's decision-making process. The roles of the Independent Directors are important to ensure that the strategies proposed by the Executive Directors are deliberated on and have the best interest of the Company, as well as the interests of shareholders, employees, customers, suppliers and the community.

The profiles of each Director are set out in the Directors' Profile in this Annual Report 2020.

For the FYE 31 March 2020, the Board held three (3) meetings. Details of the attendance record of the Directors at the Board meetings are as follow:

Name of Directors	Total Meetings Attended	Percentage of Attendance
Dato' Che Halin Bin Mohd Hashim	3/3	100%
Lim Chin Siu	3/3	100%
Tan Chyi Boon	3/3	100%
Chiau Haw Choon	3/3	100%
Chang Kong Foo *(Resigned on 29/6/2020)*	3/3	100%
Fong Shin Ni	3/3	100%
Gan Teck Hooi *(Appointed on 24/2/2020)*	-	-

All the Directors have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in AMLR.

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

PART 2: BOARD COMPOSITION (CONT'D)

4.2 Tenure of Independent Directors

The Board is mindful of the recommendation in Practice 4.2 of the MCCG that the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the Board as a non-independent director. If the Board intends to retain an independent director beyond nine (9) years, justification and annual shareholders' approval are required. If the Board continues to retain the independent director after the twelfth (12th) year, the Board should seek annual shareholders' approval through a two-tier voting process.

As at 31 March 2020, the tenure of the Independent Non-Executive Directors of the Company is as follows: -

Directors	Date of Appointment	< 1 Year	1-3 Years
Dato' Che Halin Bin Mohd Hashim	14/9/2018		√
Chang Kong Foo *(Resigned on 29/6/2020)*	14/9/2018		√
Fong Shin Ni	14/9/2018		√
Gan Teck Hooi	24/2/2020	√	

Currently, none of the Independent Directors has served the Company exceeded a cumulative term of nine (9) years.

4.3 Policy of Independent Directors' Tenure

The Board does not have a policy which limits the tenure of its independent directors to nine (9) years currently.

4.4 Diversity of the Board and Senior Management

Generally, the appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

The Nomination Committee is responsible to lead the process for the nomination of new Board member appointments and making the necessary recommendations. In assessing suitability of candidates, consideration will be based on the core competencies, integrity, character, time commitment and experience of the candidates to ensure that there is a range of professional knowledge, skills, experience and diversity (including gender diversity), understanding of the business, the markets and the industry in which the Group operates and the expertise in areas such as accounting, finance and legal matters.

The annual analysis carried out by the management on the total workforce of the Group by gender, age and race as shown in the Sustainability Statement of this Annual Report is to uphold the diversity plan of the Company and our succession plan.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 2: BOARD COMPOSITION (CONT'D)

4.5 Gender Diversity

Currently, the Board does not set women representation target in the Board and senior management as advocated under Practice 4.5 of MCCG. The explanation for the departure of this practice is set out in the Corporate Governance Report.

However, the Board is supportive of gender diversity and currently the Board comprises of one (1) female Director. The Board through the Nomination Committee shall consider gender diversity as part of its criteria in its future selection and shall look into increasing female board representation in future. However, gender shall not be a pre-requisite to the directorship of the Company.

The Board recognises that the appointment of the Board members shall be based on competency, integrity, character, time commitment and experience, particularly candidates with specialised knowledge of the industrial sector that meet the Group's need.

4.6 New Candidates for Board Appointment

Currently, the Board mainly rely on recommendations from existing Board members, senior management or major shareholders in identifying suitably qualified candidates for appointment of Directors as this may speed up the appointment process. However, the Board and the Nomination Committee would not hesitate to utilise independent sources to identify suitably qualified candidates, where applicable.

The Directors appointment process is carried out based on a methodical and robust process undertaken by the Nomination Committee. Candidates recommended are thoroughly assessed based on their competency, integrity, character, time commitment and experience.

4.7 Nomination Committee

The Board has established a Nomination Committee which comprise majority of Independent Non-Executive Directors, with the responsibilities of oversee matters related to the balance composition of Board members, identification and recommendation of suitable candidates for Board membership, review of the Board's succession plans, training for Directors and assess the performance of the Directors on an ongoing basis.

The Terms of Reference of the Nomination Committee is published at the Company's website at https://solarvest.my.

The Nomination Committee is chaired by an Independent Non-Executive Director and the present composition of the Nomination Committee is as follows:

Designation	Name	Directorship
Chairperson	Fong Shin Ni	Independent Non-Executive Director
Member	Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Chairman
Member	Gan Teck Hooi *(Appointed on 29/6/2020)*	Independent Non-Executive Director
Member	Chiau Haw Choon	Non-Independent Non-Executive Director

As the Chair of the Nomination Committee, Ms. Fong Shin Ni shall lead the succession planning and appointment of Board members, and shall lead the annual review of board effectiveness, ensuring that the performance of each individual director is independently assessed.

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

PART 2: BOARD COMPOSITION (CONT'D)

4.7 Nomination Committee (Cont'd)

The summary of activities undertaken by the Nomination Committee during the financial year included the following:

i) reviewed the size and composition of the Board and made recommendation to the Board as regards to any changes that may, in their view, be beneficial to the Company and Group;
ii) recommended to the Board the appointment of Mr. Gan Teck Hooi as Independent Non-Executive Director of the Company;
iii) reviewed the effectiveness of the Board as a whole, Board Committees and the contribution of individual Directors;
iv) reviewed and assessed the independence of Independent Non-Executive Directors;
v) reviewed and recommended the re-election of retiring Directors at the forthcoming Annual General Meeting ("AGM"); and
vi) reviewed the training programme attended by the Directors for the FYE 31 March 2020.

Pursuant to Clause 83 of the Company's Constitution, an election of Directors shall take place each year and at every AGM of the Company, one-third (⅓) of the Directors for the time being shall retire from office provided always that all Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election. The following Directors who retire by rotation in accordance with Clause 83 of the Company's Constitution and being eligible, have offered themselves for re-election:

i) Dato' Che Halin Bin Mohd Hashim;
ii) Fong Shin Ni.

The Company's Constitution also provides that any Director appointed during the financial year, either to fill a casual vacancy or as an addition to the existing Directors, he/she shall hold office only until the next following AGM and shall then be eligible for re-election. Mr. Gan Teck Hooi was appointed as an Independent Non-Executive Director of the Company on 24 February 2020, as such, he shall retire at the conclusion at the forthcoming AGM and being eligible, he has offered himself for re-election in accordance with Clause 90 of the Company's Constitution.

4.8 Directors' Training

All Directors appointed to the Board have attended the Mandatory Accreditation Program prescribed by Bursa Securities. The Directors are encouraged to attend continuous education programs/ seminars/ conferences and shall as such receive further training from time to time to keep abreast with the latest developments in statutory requirement and regulatory guidelines, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 2: BOARD COMPOSITION (CONT'D)

4.8 Directors' Training (Cont'd)

Details of seminars/conferences/training programs attended by the Board members during the financial year are as follows:

Directors	Seminars/Conferences/ Training Programmes Attended	Date Attended
Dato' Che Halin Bin Mohd Hashim	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24/9/2019
	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Corruption, Money Laundering and Employment Issues	10/6/2020
Lim Chin Siu	Governance, Risk and Control: Roles of the Directors, Management and Auditors	20/4/2019
	Leadership Training on Managers	17/7/2019
	Leadership Training	31/8-1/9/2019
	Recommendation for Small Renewable Energy and Hybrid System for Rural Electrification	18/9/2019
	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24/9/2019
	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Effective Result Based KPI for Organisational Success	4-5/12/2019
	Malaysian Standard on Solar Photovoltaic Systems	26/2/2020
	Post-listing Obligation of Solarvest	29/5/2020
	Corruption, Money Laundering and Employment Issues	10/6/2020
Tan Chyi Boon	Governance, Risk and Control: Roles of the Directors, Management and Auditors	20/4/2019
	Leadership Training on Managers	17/7/2019
	Leadership Training	31/8-1/9/2019
	Recommendation for Small Renewable Energy and Hybrid System for Rural Electrification	18/9/2019
	Mandatory Accreditation Programme for Directors of Public Listed Companies	23-24/9/2019
	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Effective Result Based KPI for Organisational Success	4-5/12/2019
	Post-listing Obligation of Solarvest	29/5/2020
	Corruption, Money Laundering and Employment Issues	10/6/2020

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

PART 2: BOARD COMPOSITION (CONT'D)

4.8 Directors' Training (Cont'd)

Directors	Seminars/Conferences/ Training Programmes Attended	Date Attended
Chiau Haw Choon	Mentoring Masterclass by Clara Villa	12/4/2019
	EY Entrepreneur of the Year 2019	6-9/6/2019
	BIM Executive Workshop	4-5/7/2019
	OAK Journal Workshop by Keith Roberts	8/7/2019
	Starken AAC Philipine Workshop	17/7/2019
	YPO Regional Forum	2-3/8/2019
	Comquas Training	19/8/2019
	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Chin Hin Group Digital Transformation Workshop	2/12/2019
Chang Kong Foo *(Resigned on 29/6/2020)*	Governance, Risk and Control: Roles of the Directors, Management and Auditors	20/4/2019
	National Tax Conference 2019	5-6/8/2019
	Taxation of Land Transaction - Insights & Strategies	30/9/2019
	Seminar Percukaian Kebangsaan 2019	24/10/2019
	CAS Annual Executive Conference 2019	14-15/11/2019
	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Implementation of ISQC 1	10/12/2019
	Corruption, Money Laundering and Employment Issues	10/6/2020
Fong Shin Ni	Dialogue between the Securities Commission and the Company's Directors and Company Secretary	26/11/2019
	Corruption, Money Laundering and Employment Issues	10/6/2020
Gan Teck Hooi *(Appointed on 24/2/2020)*	Maybank Trade Forum 2019	9/4/2019
	AXA SME Forum	9/7/2019
	SME Accelerator Series IV	19/9/2019
	Mandatory Accreditation Programme for Directors of Public Listed Companies	7-9/4/2020
	MSME Congress 2019	10/10/2019
	Corruption, Money Laundering and Employment Issues	10/6/2020

The Board shall continue to evaluate and determine the training needs of the Directors to build their knowledge so that they can be updated with the development of the Group's business and industry, relevant new laws and regulations and essential practices for effective corporate governance and risk management to enable the Directors to discharge their duties and responsibilities effectively.

In addition to the above, the External Auditors and Company Secretaries would update the Directors on recent developments in the areas of statutory and regulatory requirements through the briefing during the Committee and/or Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 2: BOARD COMPOSITION (CONT'D)

5 Board Evaluation

5.1 Board Effectiveness

The Nomination Committee is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their duties in accordance with the respective terms of reference on an annual basis.

The criteria used by the Nomination Committee in evaluating the performance of individual Directors, including contribution to interaction, knowledge, quality of input, understand of role whereas the Nomination Committee has used the criteria of the Board mix and composition, Board relationship with the management, quality of information and decision making, the Boardroom activities and their time commitment to evaluate the performance of the Board as a whole and the Board Committees in discharging their duties. The evaluation are in a set of self-assessment and peer-assessment questionnaires facilitated by the Company Secretary. The Board did not engage any external party to undertake an independent assessment of the Directors as the Board is of the view that the current evaluation framework is effective.

Based on the assessment conducted for the FYE 31 March 2020, the Board and the Nomination Committee are satisfied with the current size, composition as well as the right mix of high-calibre individuals with the necessary skills, qualifications, experience and credibility amongst the Board members and the independence of the Independent Non-Executive Directors. The Board is also satisfied with the level of time and commitment devoted by the Directors towards fulfilling their duties and responsibilities.

PART 3: REMUNERATION

6 Board Remuneration

6.1 Remuneration Policy

The Board does not have a remuneration policy for directors and key management personnel currently. In general, remuneration is structured so as to link rewards to corporate and individual performance for the case of Executive Directors and key senior management. As for the Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken individually by the Director concerned.

The Remuneration Committee has been entrusted by the Board with specific terms of reference to review and recommend to the Board an appropriate remuneration framework for Executive Directors and senior management, including recommendations to the Board on all elements of remuneration, terms of employment, reward structures and fringe benefits for Executive Directors and senior management, which are competitive and sufficient to attract and retain Directors and senior management of quality required to manage the business of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 3: REMUNERATION (CONT'D)

6.1 Remuneration Policy (Cont'd)

In deliberation of the Executive Directors' remuneration, Remuneration Committee had examined the audited financial statements of the Group for the FYE 2018 and FYE 2019 and compared to the financial results as at 30 June 2019 to evaluate the contribution of the Executive Directors. It was noted that the financial performance of the Group improved substantially from that of FYE 2018 and FYE 2019. Further, the Group is also backed by a strong assets base while the Prospectus of the Company reported an upward trend in the Group's unbilled order book. The Remuneration Committee was of the view that steady growth in the financial performance of the Group has clearly demonstrated that the Executive Directors are effective in leading the management team to strengthen the competitiveness and resilience of the Group to grow and excel in the current challenging business environment.

In deliberation of the senior management's remuneration, the Remuneration Committee was of the view that Mr. Chong Chun Shiong, being the Group CEO who is responsible to implement the management strategy set by the Board and also to oversee the daily operation of the Group. The good report card of the Group as reported in the audited financial statement for the FYE 2018 and FYE 2019 illustrated his effective management and contribution.

With due deliberation, Remuneration Committees shall then recommended the Executive Directors and senior management's remuneration to the Board for approval.

As for Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities, and their contributions and attendance of meetings for the Board and Board Committees and also competitiveness as compared to the prevalent market practices.

6.2 Remuneration Committee

The Board has established a Remuneration Committee, comprises majority of Independent Non-Executive Directors, with the responsibilities of recommending Directors' and key senior management's remuneration framework, including the terms and remuneration of the Executive Directors to the Board in order to align with the business strategies and long-term objectives of the Company.

The Remuneration Committee is responsible for recommending the remuneration of the Executive Directors and key senior management to the Board for consideration and approval. The aggregate annual Directors' fees and other benefits payable to the Non-Executive Directors are to be approved by shareholders at the Annual General Meeting based on recommendations of the Board.

The Remuneration Committee shall meet at least once (1) a year to carry out an annual review of the overall performance and remuneration package for Executive Directors and key senior management to ensure that the rewards commensurate with their contributions to the Group's growth.

The Terms of Reference of the Remuneration Committee is available at the Company's website at https://solarvest.my.

The present members of the Remuneration Committee are as follows:

Designation	Name	Directorship
Chairman	Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Chairman
Member	Gan Teck Hooi *(Appointed on 29/6/2020)*	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Chiau Haw Choon	Non-Independent Non-Executive Director

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 3: REMUNERATION (CONT'D)

6.2 Remuneration Committee (Cont'd)

For the FYE 31 March 2020, there was one (1) Remuneration Committee meeting conducted and all the members have attended the said meeting.

The summary of activities undertaken by the Remuneration Committee during the financial year included the following:

i) reviewed and recommended the remuneration package of the Executive Directors and key senior management; and
ii) reviewed and recommended the Directors' fees and other benefits payable to the Non-Executive Directors.

7 Remuneration of Directors and Key Senior Management

7.1 Directors' Remuneration

The respective Directors are abstained from discussing and deliberating on their own remuneration whilst the Directors' fees and benefits payable to the Non-Executives are to be approved by shareholders at the AGM.

Details of the Directors' remuneration paid or payable to all Directors of the Company (both by the Company and the Group) who held office for the FYE 31 March 2020 are as follows:

	Company		Group			
Directors	**Fee (RM)**	**Meeting Allowance (RM)**	**Salary (RM)**	**Bonus (RM)**	**Company Contribution (RM)**	**Benefits-in-Kind (RM)**
Dato' Che Halin Bin Mohd Hashim	60,000	1,500	-	-	-	-
Lim Chin Siu	-	-	363,000	64,000	52,163	14,658
Tan Chyi Boon	-	-	336,000	60,000	48,443	10,890
Chiau Haw Choon	36,000	1,500	-	-	-	-
Chang Kong Foo *(Resigned on 29/6/2020)*	36,000	1,500	-	-	-	-
Fong Shin Ni	36,000	1,500	-	-	-	-
Gan Teck Hooi *(Appointed on 24/2/2020)*	3,000	-	-	-	-	-
Total	**171,000**	**6,000**	**699,000**	**124,000**	**100,606**	**25,548**

7.2 Remuneration of Key Senior Management

The Company believes that it may not be in its best interest to disclose the remuneration information on named basis for key senior management personnel having considered the highly competitive human resource environment for personnel with the requisite knowledge, expertise and experience in the Group's business.

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

PART 3: REMUNERATION (CONT'D)

7.2 Remuneration of Key Senior Management (Cont'd)

The Company is disclosing the remuneration paid to a key senior management during the FYE 31 March 2020 analysed in the bands of RM50,000 as follow: -

Range of Remuneration	Number of Key Senior Management
RM500,001 to RM550,000	-
RM550,001 to RM600,000	1

The explanation for the departure of practice 7.2 is disclosed in the Corporate Governance Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 1: AUDIT COMMITTEE

8 Effective and Independent Audit Committee

8.1 Chairman of Audit Committee

Subsequent to the resignation as an Independent Non-Executive Director of the Company on 29 June 2020, Mr. Chang Kong Foo has ceased to be the Chairman of the Audit Committee. On the same day, Mr. Gan Teck Hooi, an Independent Non-Executive Director has been appointed as the Chairman of the Audit Committee, who is distinct from the Chairman of the Board, namely Dato' Che Halin Bin Mohd Hashim.

The key responsibilities of the Audit Committee are as follows:

i) Review the quarterly financial results and annual financial statements of the Group before recommending to the Board for approval and release to Bursa Securities;
ii) Review the effectiveness of the risk management framework and internal controls system adopted by the Group;
iii) Review the effectiveness of internal audit function and approve the internal audit plan;
iv) Review the external auditors' audit plan, assess the performance, independence and suitability of the external auditors; and
v) Review any related party transactions and potential conflict of interests situations that may arise within the Group.

8.2 Former Key Audit Partner

The Audit Committee has in place a policy that requires a former key audit partner to observe a cooling-off period of at least two (2) years before being appointed as a member of the Audit Committee. Such policy is stated in the Terms of Reference of the Audit Committee available at the Company's website at https://solarvest.my.

Currently, none of the Board members is the former key audit partner of the External Auditors and the Directors do not foresee any new appointment of former key audit partner to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 1: AUDIT COMMITTEE (CONT'D)

8.3 Assessment of Suitability and Independence of External Auditors

The Company has established a transparent and appropriate relationship with the External Auditors. From time to time, the External Auditors will highlight to the Audit Committee and the Board on matters that require the Audit Committee and the Board's attention.

The Audit Committee is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The Audit Committee has been explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the Audit Committee prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the Audit Committee.

To assess or determine the suitability, objectivity and independence of the External Auditors, the Audit Committee has taken into consideration of, among others, the following:

i) The adequacy of the competency, experience and quality of the External Auditors;
ii) The External Auditors' resources capacity and ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
iii) The nature and extent of the non-audit services rendered by the External Auditors and fees paid for such services relative to the audit fee; and
iv) Whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

For further details, please refer to the Audit Committee Report in this Annual Report.

The details of the fees paid/payable to the External Auditors for the provision of statutory audit and non-audit related services for FYE 2020 are set out below: -

Fee paid/payable to the External Auditors	The Company RM	The Group RM
Statutory Audit	15,000	167,000
Non-audit	-	-
Total	**15,000**	**167,000**

Annual appointment or re-appointment of the External Auditors is approved by the shareholders at the AGM on the recommendation of the Audit Committee and the Board. The External Auditors are being invited to attend the AGM of the Company to respond and reply to the shareholders' enquiries on the conduct of the statutory audit and the preparation and contents of the audited financial statement.

Where necessary, the Audit Committee will meet with the External Auditors without the presence of Executive Directors and members of management to discuss the audit findings and any observations or any matters of concern.

In presenting the Audit Review Memorandum to the Audit Committee, the External Auditors have highlighted their internal policies and procedures with respect to their audit independence and objectivity which include safeguards and procedures and independent policy adopted by the External Auditors. The External Auditors have also provided the required independence declaration to the Audit Committee and the Board for the FYE 31 March 2020.

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

PART 1: AUDIT COMMITTEE (CONT'D)

8.3 Assessment of Suitability and Independence of External Auditors (Cont'd)

The Audit Committee is satisfied with the competence and independence of the External Auditors for the financial year under review. Having regard to the outcome of the annual assessment of the External Auditors, the Board approved the Audit Committee's recommendation for the shareholders' approval to be sought at the AGM on the re-appointment of Messrs. Ecovis Malaysia PLT as the External Auditors for the financial year ending 31 March 2021.

8.4 Composition of Audit Committee

The Audit Committee comprises three (3) Non-Executive Directors and all of the Audit Committee members are Independent Directors. The present members of the Audit Committee are: -

Designation	Name	Directorship
Chairman	Gan Teck Hooi *(Appointed on 29/6/2020)*	Independent Non-Executive Director
Member	Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Chairman
Member	Fong Shin Ni	Independent Non-Executive Director

8.5 Financial Literacy of the Audit Committee Members

Mr. Gan Teck Hooi, the Audit Committee Chairman has a fellow membership in The Association of Chartered Certified Accountants (FCCA) and The Malaysian Institute of Accountants (MIA). Dato' Che Halin Bin Mohd Hashim was in banking division of Permata Chartered Merchant Bank Berhad (now known as Affin Investment Bank Berhad) in year 1982 and Ms. Fong Shin Ni was involving as legal assistant in the field of capital markets, mergers and acquisitions and corporate advisory in year 2001.

Although only one-third of the Audit Committee is a member of a professional accounting body, the other two members of the Audit Committee keep abreast of developments in accounting and auditing standards, practices and rules through updates from our External Auditors on changes in accounting and auditing standards.

All members of the Audit Committee are mindful that they should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

The Audit Committee reviews and discuss with the External Auditors on the outcome of their audit on the annual financial results of the Group. Further, the Audit Committee seeks clarification and additional information such as business performance and operational issues from senior management and the Internal Auditors with regards to the financial performance and preparation of the financial statements in order to discharge the duties and responsibilities over its oversight of the financial reporting process and assess the reliability of the financial reporting of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 2: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

9.1 Risk Management and Internal Control Framework

The Board is entrusted with the overall responsibility of continuously maintaining a sound system of internal controls, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets.

An Enterprise Risk Management Framework has been established to provide the overall guidelines and approach to the Group's risk management. Significant business risks faced by the Group are identified and evaluated and consideration is given to the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

A set of standard operating procedures ("SOPs") has been established to provide the overall guidelines and approach to the Group's internal controls system. The internal controls system is important for risk management and as an effort to enhance the internal controls system, the Board is committed and has adopted an on-going monitoring and review of the internal controls with the assistance from the outsourced Internal Auditors.

The Board is assisted by the Risk Management Committee and the Audit Committee in its regular review of the process for assessing the adequacy and effectiveness of the risk management and internal controls system.

Further details of the key elements of the Group's risk management and internal controls system can be found in the Statement on Risk Management and Internal Control in this Annual Report.

9.2 Adequacy and Effectiveness of the Risk Management and Internal Control

The Company has established a Risk Register documented with the identified risks, relevant risk rating, mitigation plans/actions and the relevant key person in-charged. Risk Register shall be reviewed and updated periodically to remain relevant to the Group's ever-changing business environment.

Employees are required to comply with the SOPs to ensure proper execution of the internal controls system. Internal controls system should be reviewed periodically to ensure its effectiveness.

The Board has established a Risk Management Committee, which comprises a majority of Independent Directors. The members of the Risk Management Committee are as follows:

Designation	Name	Directorship
Chairman	Gan Teck Hooi *(Appointed on 29/6/2020)*	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Chong Chun Shiong	Group Chief Executive Officer

Mr. Chang Kong Foo has on 29 June 2020 ceased to be the Chairman of the Risk Management Committee following his resignation as an Independent Non-Executive Director of the Company. On the same day, Mr. Gan Teck Hooi, the Independent Non-Executive Director has been appointed as the Chairman of the Risk Management Committee.

Risk Management Committee together with Audit Committee are tasked to review and monitor the adequacy and effectiveness of the Group's internal controls and risk management system.

Internal Auditors has been appointed to evaluate and test the adequacy and effectiveness of the risk management and internal controls systems within the Group on periodically basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

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

PART 2: RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

9.2 Adequacy and Effectiveness of the Risk Management and Internal Control (Cont'd)

The information on the Group's internal controls and risk management is further elaborated in the Statement on Risk Management and Internal Control of this Annual Report.

Taking into consideration the assurance from the management and input from the relevant assurance providers, the Board is of the view that the Group's risk management and internal controls system in place for the financial year under review is adequate and effective to safeguard the interests of shareholders, customers, employees and the Group's assets.

10 Internal Audit

10.1 Internal Audit Function

The Group has outsourced the internal audit function to a professional firm, Eco Asia Advisory Sdn Bhd. The Internal Auditors shall conduct internal audit review periodically in accordance to internal audit plan approved by the Audit Committee, so as to assess the adequacy and effectiveness of the governance, risk management and internal controls of the Group.

The Internal Auditors are free from any relationships or conflicts of interest with the Group and they are able to perform internal audit objectively, proficiently and with due professional care.

The outsourced Internal Auditors report directly to the Audit Committee on the internal audit findings and recommendations.

During the FYE 31 March 2020, Audit Committee has appointed and considered the competency, experience and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their works.

Internal audit function of the Group is further elaborated in the Statement on Risk Management and Internal Control in this Annual Report.

The professional fee payable to the outsourced Internal Auditors for the FYE 31 March 2020 is RM15,000.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS

PART 1: COMMUNICATION WITH STAKEHOLDER

11 Stakeholder Engagement

11.1 Communication with Stakeholders

The Board is committed to provide effective, transparent and regular communication with its shareholders and other stakeholders regarding the business, operations and financial performance of the Group to enable them to make informed decisions.

The Company has established an Investor Relations function in the Company's website at https://solarvest.my where shareholders and publics are able to access to the latest information of the Group easily and conveniently.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

PART 1: COMMUNICATION WITH STAKEHOLDER (CONT'D)

11.1 Communication with Stakeholders (Cont'd)

Information of the Group is also disseminated through the following platforms:

i) Various disclosures and announcements made to Bursa Securities including quarterly financial reports and Annual Report;
ii) Press releases to media;
iii) AGM and Extraordinary General Meetings ("EGM") for dialogues with shareholders;
iv) Sessions with analysts;
v) Interviews; and
vi) Social media and other electronic channels.

The Company strives to ensure information to be communicated to various stakeholders are clear, unambiguous, succinct, accurate, sufficient and relevant. Whilst the Company aims to provide as much information as possible to its shareholders and other stakeholders, it is also mindful of the legal and regulatory framework governing the release of material and price-sensitive information.

11.2 Annual Report

The Group's Annual Report provides comprehensive information comprising annual financial statements, governance and sustainability reports. It communicates the Group's business directions, financial performance, corporate governance, sustainability measures and prospects to shareholders and various stakeholders.

The Annual Report for the FYE 31 March 2020 has been prepared in accordance with the Malaysian Financial Reporting Standards, AMLR and the Companies Act, 2016.

PART 2: CONDUCT OF GENERAL MEETINGS

12.1 Annual General Meeting

AGM is the main forum to be conducted annually for dialogue with shareholders. The Notice of AGM will be emailed or despatched (for those without email address) to registered shareholders at least twenty-eight (28) days before the meeting. This shall provide shareholders with adequate time to consider the resolutions that will be discussed and decided during the AGM and to facilitate informed decision-making by the shareholders.

The Notice of AGM, which sets out the business to be transacted at the AGM, is also published in a major local newspaper. Where special business item appears in the Notice of AGM, an explanatory note will be included as a footnote to enlighten shareholders on the significance and impact when shareholders deliberate on such resolution.

At the AGM, the Board will present the Group's overview strategy and major developments. Shareholders are encouraged to participate, speak and vote. Shareholders are given the opportunity to seek clarification on any matters pertaining to the business activities and financial performance of the Group. Shareholders are also encouraged to make their views known to the Board and to raise directly any matters of concern.

The Board members and senior management are present to answer questions raised at the AGM.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIPS WITH STAKEHOLDERS (CONT'D)

PART 2: CONDUCT OF GENERAL MEETINGS (CONT'D)

12.2 Attendance of Directors at General Meetings

The Board of Directors will fix the AGM or EGM to ensure that the Directors have sufficient time to make necessary arrangement to attend the planned AGM/EGM.

The Board will ensure that all Board members, particularly the chairperson of each Board committee will endeavour to attend general meetings, engage with shareholders and to address any relevant questions and concerns raised by the shareholders.

The External Auditors will be invited to present at the AGM to respond to any queries raised by shareholders relevant to audit conducted on the financial statements of the Group.

12.3 Encourage Shareholders' Participation at General Meetings

The Covid-19 pandemic and the ensuing enforcement of a Movement Control Order followed by the Conditional Movement Control Order and Recovery Movement Control Order have changed the ordinary course of life and business. For businesses, it has also affected engagements between the Company and its shareholders, which includes the conduct of general meetings.

The Third Annual General Meeting ("3rd AGM") of the Company will be held fully virtual and entirely via remote participation and voting to ensure safe distancing requirement is observed.

COMPLIANT STATEMENT

Saved as disclosed above, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices as set out in the MCCG and all other applicable laws, where applicable and appropriate.

OTHER DISCLOSURE REQUIREMENTS

UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING

As at 31 March 2020, the utilisation of proceeds amounting to RM34.59 million raised from the Public Issue of 98,828,000 new ordinary shares at RM0.35 per share on 26 November 2019 are summarised as follows: -

Purpose		Details of the Utilisation of Proceeds Proposed RM'000	 Actual RM'000	 Balance RM'000	Estimated Timeframe for Utilisation from the Listing Date
i)	Business expansion	3,000	659	2,341	Within 24 months
ii)	Capital expenditure	4,000	52	3,948	Within 18 months
iii)	Working capital	19,190	1,395	17,795	Within 24 months
iv)	Repayment of bank borrowings	5,000	5,000	-	Within 3 months
v)	Estimated listing expenses	3,400	3,400	-	Within 1 month
		34,590	**10,506**	**24,084**	

The utilisation of proceeds as disclosed above should be read in conjunction with the prospectus of the Company dated 30 September 2019.

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the financial year, the amount of audit and non-audit fees paid/payable to the external auditors by the Company and the Group respectively were as follows: -

	Company RM	Group RM
Audit Fees	15,000	167,000
Non-Audit Fees	-	-

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

During the financial year, there were no material contracts or contracts relating to loan entered into by the Company and its subsidiaries involving Directors' and Major Shareholders' interest.

EMPLOYEE SHARE OPTION SCHEME ("ESOS")

During FYE 31 March 2020, the Group did not establish any employee share scheme.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Solarvest Holdings Berhad ("Solarvest" or "the Company") recognises the importance of having a systematic approach of reviewing the Company and its subsidiaries ("the Group") risk management and internal control processes and is committed to the continuous improvements of the existing systems in practice.

The Board is pleased to present its Statement on Risk Management and Internal Control, which has been prepared pursuant to Paragraph 15.26(b) of Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Listing Requirements ("AMLR") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines") and made in accordance with the recommendations of the Malaysian Code of Corporate Governance.

BOARD RESPONSIBILITIES

The Board acknowledges its overall responsibilities and is committed to maintain a sound risk management and internal controls system within the Group and will regularly review the adequacy, effectiveness and integrity of the systems and policies that are in place to achieve the Group's objectives and strategies to safeguard the shareholders' investment and the Group's assets.

The Board through its Audit Committee and Risk Management Committee had established an ongoing process for identifying, evaluating and managing the significant risks faced by the Group and this process includes enhancing the risk management and internal control policies and systems as and when there are changes to the business environment and regulatory requirements. Management is accountable to the Board for implementing and monitoring the system of internal controls and risk management.

However, due to inherent limitations in any risk management and internal controls system, such systems put into effect by the management is designed to manage rather than eliminate risks that may impede the achievements of the Group's business objectives and goals. Therefore, the risk management and internal controls system can only provide reasonable assurance but not absolute assurance against material loss or misstatement, fraud or breaches of laws and regulations.

The Board is of the view that the risk management and internal controls system of the Group are in place during the financial year and up to the date of issuance of the Annual Report, subject to regular reviews. They are adequate and effective in safeguarding the shareholders' investment, stakeholders' interest and the Group's assets.

RISK MANAGEMENT SYSTEM

Risk management is firmly embedded in the Group's management system as the Board strongly believes that risk management is critical for the Group's sustainability and the enhancement of shareholder value. The management is delegated with the responsibilities to identify, manage and monitor risks continuously. Any significant risks affecting the Group's strategic and business plans shall be escalated to the Board at the scheduled meetings.

As part of the Board's commitment to protect stakeholders' interests, the Board has appointed the Risk Management Committee to ensure that enterprise risk management practices are practiced throughout the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

The duties and responsibilities of the Risk Management Committee are as follows: -

i) To oversee and recommend the risk management policies and procedures of the Group;

ii) To review and recommend changes as needed to ensure that the Group has in place at all times a risk management policy which addresses the strategic, operational, financial and compliance risks;

iii) To review the existing risk management framework which identifies, assesses, manages and monitors the Group's business risks;

iv) To set reporting guidelines for management to report to the committee on the effectiveness of the Group's management of its business risks;

v) To review the risk profile of the Group and to evaluate the measures taken to mitigate the business risks;

vi) To review the adequacy of management response to issues identified in risk registers, ensuring that our risks are managed within the Group's risk appetite; and

vii) To highlight potential high-risk areas to the attention of the Board and to advise the Board accordingly.

INTERNAL CONTROLS SYSTEM

Internal controls system play a vital role in ensuring the Group's business is being managed effectively and sustainably. The management is delegated with the responsibilities to ensure implementation of internal controls within the Group and monitor continuously. Any significant internal control deficiencies affecting the Group's strategic and business plans shall be escalated to the Audit Committee at the scheduled meetings.

Audit Committee has been delegated with the responsibilities to review the adequacy and effectiveness of the internal controls and governance processes implemented in the Group.

Key internal controls in place for the Group are as follows: -

i) Internal standard operating policies and procedures had been established for the operations of the Group;

ii) Clearly defined terms of reference, authorities and responsibilities of the various Board committees including Audit Committee, Remuneration Committee, Risk Management Committee and Nomination Committee;

iii) A well-defined organisational structure with clear lines of accountability provide a sound framework within the Group in facilitating check and balance for proper decision making at the appropriate authority levels of management including matters that require the Board's approval;

iv) A documented delegation of authority that sets out decisions that need to be taken and the appropriate levels of management involved including matters that require the Board's approval;

v) The Board and Audit Committee meet at least once on a quarterly basis to review and deliberate on quarterly financial reports, annual financial statements and internal audit reports. Discussions with the management were held to deliberate on the actions that are required to be taken to address internal control issues identified;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

INTERNAL CONTROLS SYSTEM (CONT'D)

Key internal controls in place for the Group are as follows (cont'd): -

vi) The Code of Conduct and Ethics sets out the principles on dealing with external parties, conflicts of interest, insider trading, compliance to laws, money laundering, bribery and corruption and others which served as a primary guidance on the ethical and behavioural conduct of the Group;

vii) The outsourced Internal Auditor reports directly to the Audit Committee. Findings are communicated to the management and the Audit Committee with recommendations for improvements and follow-up review to confirm all agreed recommendations are implemented. The Internal Audit Plan is reviewed and approved by the Audit Committee;

viii) Scheduled operational and management meetings are held internally from time to time to discuss and review the business plans, budgets, financial and operational performances of the Group. The quarterly financial statements are presented to the Audit Committee and the Board for their review and approval. The Board also plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group; and

ix) Provision of training and development to enhance the competitiveness and capability of our staff members.

INTERNAL AUDIT FUNCTION

The Group outsourced the internal audit function to a professional firm, who shall assist the Board and Audit Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the internal controls system and risk management system of the Group.

Internal audit has been carried out for the FYE 31 March 2020 based on the approved audit plan to review the Group's formalised risk management framework and the implementation of mitigation plans as stated in the Risk Register prepared prior to the listing of the Group. The findings of the internal audit together with recommendations were presented to the Audit Committee.

The professional fee payable to the outsourced internal auditors for the FYE 31 March 2020 amounted to RM15,000.

Based on the internal audit review conducted, none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require separate disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the AMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the FYE 31 March 2020 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement on Risk Management and Internal Control is inconsistent with their understanding of the processes adopted by the Board in reviewing the adequacy and effectiveness of the Group's risk management and internal controls system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

MANAGEMENT'S ASSURANCE

The Managing Director and Group Chief Executive Officer, representing the management, have given reasonable assurance to the Board that the Group's risk management and internal controls system are adequate and effective, in all material aspects, based on the risk management and internal controls adopted by the Group and similar assurance given by the respective heads of operations.

CONCLUSION

For the financial year under review, there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in the Annual Report. The Board is of the view that the existing Group's system of risk management and internal controls are adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets. However, the Board is also cognisant of the fact that the Group's system of risk management and internal control practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board is committed to continuously strengthen the Group's system of internal controls and risk management framework.

AUDIT COMMITTEE REPORT

The Board is pleased to present the following Audit Committee Report and its summary of work for the FYE 31 March 2020.

The Audit Committee comprises the following members:

Designation	Name	Directorship
Chairman	Gan Teck Hooi *(Appointed on 29/6/2020)*	Independent Non-Executive Director
Member	Dato' Che Halin Bin Mohd Hashim	Independent Non-Executive Chairman
Member	Fong Shin Ni	Independent Non-Executive Director

Mr. Gan Teck Hooi is a member of the Malaysian Institute of Accountants. Pursuant to the term of reference of the Audit Committee, no alternate director is appointed as a member of the Audit Committee.

The primary objective of the Audit Committee is to establish a documented, formal and transparent procedure to assists the Board in fulfilling its fiduciary responsibilities relating to corporate accounting, financial reporting practices, system of risk management and internal controls, audit process and the independence of auditors.

TERMS OF REFERENCE

The duties and responsibilities of the Audit Committee are clearly laid down in the Terms of Reference of the Audit Committee, accessible in the Company's website at https://solarvest.my.

ATTENDANCE OF MEETINGS

During the FYE 31 March 2020, the Audit Committee held three (3) meetings and the details of attendance of each committee member are as follows:

Members	Meeting Attendance
Chang Kong Foo *(Ceased on 29/6/2020)*	3/3
Dato' Che Halin Bin Mohd Hashim	3/3
Fong Shin Ni	3/3
Gan Teck Hooi *(Appointed on 29/6/2020)*	-

The presence of External Auditors and/or Internal Auditors at the Audit Committee meetings shall be requested upon invitation by the Audit Committee Chairman.

Minutes of each Audit Committee meeting are presented to the Board for notation and the Chairman of the Audit Committee highlights on key issues discussed in the Audit Committee Meeting at each Board meeting.

AUDIT COMMITTEE REPORT
(cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms of reference of the Audit Committee, the following activities were carried out by the Audit Committee during the financial year in discharging of its functions and duties, included the following:

(1) Financial Reporting

i) Reviewed the external auditors' reports in relation to audit and accounting issues arising from the audit; and updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board prior to submission to Board of Directors for approval. The review was to ensure the financial reporting and disclosures requirements are in compliance with:

- Provision of Companies Act 2016;
- Listing Requirements of Bursa Malaysia Securities Berhad;
- Applicable approved accounting standards in Malaysia; and
- Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee discussed with management and the external auditors the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements. Audit Committee also reviews and provides advice on whether the financial statements taken as a whole provide a true and fair view of the Company's financial position and performance.

ii) Reviewed the draft audited and unaudited quarterly report of the Company before recommending to the Board for approval focusing particularly on:

a. Any significant changes to accounting policies and practices;
b. Significant matters highlighted including financial reporting issues, significant judgments made by management, significant and unusual events or transactions, and how these matters were addressed;
c. Any significant adjustments arising from the audit; and
d. Compliance with accounting standards and other legal requirements.

(2) Risk Management and Internal Control

i) Reviewed the effectiveness of the risk management framework and internal controls system adopted within the Group and to be satisfied that the methodology employed which allows for identification, analysis, response, monitoring and reporting of risks in a regular and timely manner that enables the Group to mitigate risks and maximise opportunities;

ii) Assessed the systems, processes, policy and procedures to ensure compliance with all relevant laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;

iii) Reviewed the system of internal controls to ensure that they are in place, effectively administered and regularly monitored; and

iv) Reviewed the risk profile of the Group.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(3) Internal Audit Function

i) Reviewed the effectiveness of outsourced internal audit function, including the ability, competency, resources and qualification of the outsourced internal auditors to perform its duties;

ii) Reviewed the internal audit plan, and ensure that appropriate actions were taken to carry out the audits based on the approved plan;

iii) Assisted and ensure that the outsourced internal auditors had full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties;

iv) Received and reviewed the internal audit reports, findings and recommendations of the outsourced internal auditors to ensure that appropriate actions were taken on the recommendations raised; and

v) Reviewed any matters concerning the appointment of the outsourced internal auditors.

Further details of the activities of the internal auditors performed during the financial year under review are set out in the Statement on Risk Management and Internal Control of this Annual Report.

(4) External Audit

i) Reviewed the external auditors' audit plan and scope of the statutory audit to ensure the scope of external audit is comprehensive;

ii) Reviewed the annual performance assessment, including the competency and efficiency of the external auditors and make recommendations to the Board, the appointment or re-appointment of the external auditors;

iii) Assessed the suitability and independence of the external auditors;

iv) Reviewed the external auditor's audit report, and significant matters and/or management letter highlighted by the external auditors and management's response to the management letter;

v) Reviewed the external auditors' findings arising from audits, particularly any comments and responses in audit recommendations as well as the assistance given by the employees of the Group in order to be satisfied that appropriate action is being taken; and

vi) Reviewed the Statement on Risk Management and Internal Control of the Group for inclusion in the Annual Report.

(5) Related Party Transactions/Conflict of Interest Situations

i) Reviewed any related party transactions and conflict of interest situations that may arise within the Group; and

ii) Reviewed the related party transactions to ensure that such transactions were undertaken at arm's length and is properly disclosed.

AUDIT COMMITTEE REPORT
(cont'd)

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

(6) Annual Report

i) Prepared the Audit Committee report for inclusion in the Annual Report; and

ii) Reviewed the Corporate Governance Overview Statement and Board's Statements in compliance with the MCCG for inclusion in the Annual Report.

(7) Training

i) Updated on the Corporate Liability provisions under the Malaysian Anti-Corruption Commission Act 2009. A training session on this was conducted by an external consultant for the members of the Audit Committee on 10 June 2020.

ii) During the year, all of the Audit Committee members have attended various seminars, training programme and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement set out in this Annual Report.

(8) Others

i) Discussed and reviewed the incorporation of a new wholly-owned subsidiary known as Solarvest Asset Management Sdn. Bhd.

ii) Discussed the status update on the Memorandum of Understanding/ Memorandum of Agreement entered by the Group.

During the financial year, there was no insider trading reported.

STATEMENT OF DIRECTORS' RESPONSIBILITY
IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements prepared for the financial year and ensure that the financial statements give a true and fair view of the financial position of the Group and the Company as at 31 March 2020, and of their financial performance and their cash flows for the year ended then.

In ensuring the preparation of these financial statements, the Directors have observed the following criteria:

(i) Overseeing the overall conduct of the Group and the Company's business;
(ii) Identifying principal risks and ensuring that an appropriate system of internal controls exists to manage these risks;
(iii) Reviewing the adequacy and integrity of Internal Controls and Management Information System within the Group and the Company;
(iv) Adopting suitable accounting policies and apply them consistently;
(v) Making judgements and estimates that are reasonable and prudent; and
(vi) Ensuring compliance with the application of approved accounting standards in Malaysia.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records and other records which are closed with reasonable accuracy at any time the financial position of the Group and the Company.

The Directors are collectively responsible to ensure that the financial statements comply with the ACE Market Listing Requirements of Bursa Securities, the provisions of the Companies Act 2016 and applicable approved accounting standards in Malaysia.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and the Company to minimise fraud and other irregularities.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the FYE 31 March 2020, the Group and the Company have used the appropriate accounting policies and applied them consistently and supported by reasonable and prudent judgments and estimates. The Directors also consider that all applicable approved accounting standards have been complied with and further confirm that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2020.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

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

RESULTS

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	15,665,274	(2,505,644)
Non-controlling interest	310,804	-
	15,976,078	(2,505,644)

In the opinion of the Board of Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

DIVIDENDS

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

DIRECTORS' REPORT
(cont'd)

DIRECTORS

The Directors who served during the financial year up to the date of this report are as follows:

Lim Chin Siu *
Tan Chyi Boon *
Chang Kong Foo (Resigned on 29 June 2020)
Chiau Haw Choon *
Dato' Che Halin bin Mohd Hashim
Fong Shin Ni
Gan Teck Hooi (Appointed on 24 February 2020)

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

Chong Chun Shiong
Dato Seri Chiau Beng Teik
Tan Paw Boon
Cheong Kah Cheng

** Director of the Company and its subsidiary companies*

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of fees and emoluments received or due and receivable by the Directors from the Company, or the fixed salary of a full time employee of the Company, as disclosed in Note 32(b) to the financial statements) by reason of a contract made by the Company or its related corporations 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, except as disclosed in Note 32(a) to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company and of its related corporations during the financial year are as follows:

	Number of ordinary shares			
	At 01.04.2019	Bought	Sold	At 31.03.2020
Interest in the Company:				
Direct interest:				
Chang Kong Foo	-	100,000	-	100,000
Dato' Che Halin Bin Mohd Hashim	-	100,000	-	100,000
Fong Shin Ni	-	100,000	70,000	30,000
Deemed interest:				
Lim Chin Siu*	100	160,487,555	-	160,487,655
Tan Chyi Boon*	100	160,487,555	-	160,487,655
Chiau Haw Choon#	-	131,308,000	-	131,308,000

	Number of redeemable preference shares			
	At 01.04.2019	Bought	Sold	At 31.03.2020
Interest in the Subsidiary: Atlantic Blue Sdn. Bhd.				
Direct interest:				
Lim Chin Siu	1,554,639	-	-	1,554,639
Tan Chyi Boon	1,520,361	-	-	1,520,361

* *Deemed interest by virtue of their direct interest in Atlantic Blue Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

\# *Deemed interest by virtue of his interest in PP Chin Hin Realty Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.*

None of the other Directors in office at the end of the financial year has any interest in shares of the Company and its related corporations during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued ordinary shares pursuant to the following:

a) 291,795,555 new ordinary shares at an issue price of RM0.09 per ordinary share for the acquisitions of a subsidiary companies during the financial year; and

b) 98,828,000 new ordinary shares at an issue price of RM0.35 per ordinary share for a total cash consideration of RM34,589,800 for cash pursuant to its Initial Public Offering exercise.

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

There were no issues of debentures by the Company during the financial year.

DIRECTORS' REPORT
(cont'd)

SHARES OPTION SCHEME

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

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowances had been made for doubtful debts; and

(ii) 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 the accounting records of the Group and of 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:

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

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

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

(iv) 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.

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

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person other than as disclosed in Note 5, Note 6 and Note 19 to the financial statements; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year, other than as disclosed in Note 25.1 to the financial statements.

In the opinion of the Directors:

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

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

DIRECTORS' REPORT
(cont'd)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance effected for the Directors or officers of the Company pursuant to Section 289 of the Companies Act, 2016 ("the Act").

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 40 to the financial statements.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Significant events occurring after the reporting period ended 31 March 2020 are disclosed in Note 41 to the financial statements.

AUDITORS

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

The details of auditors' remuneration are set out in Note 29 to the financial statements.

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

Tan Chyi Boon
Director

Lim Chin Siu
Director

Kuala Lumpur

5 August 2020

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act, 2016

We, **Tan Chyi Boon** and **Lim Chin Siu**, being two of the Directors of **Solarvest Holdings Berhad**, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 86 to 160 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 Company as at 31 March 2020 and of the financial performance and cash flows 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,

Tan Chyi Boon
Director

Lim Chin Siu
Director

Kuala Lumpur

STATUTORY DECLARATION

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

I, **Tan Chyi Boon**, being the Director primarily responsible for the financial management of **Solarvest Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 86 to 160 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur in the
Federal Territory on 5 August 2020

Tan Chyi Boon

Before me,

YM Tengku Fariddudin Bin Tengku Sulaiman
No. W533
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

To the Members of Solarvest Holdings Berhad
(Incorporated in Malaysia)
Registration No. 201701033607 (1247778-U)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Solarvest Holdings Berhad**, which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 86 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2020, and their financial performance and cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing (ISAs). 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)* issued by 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 matter that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the Members of Solarvest Holdings Berhad
(Incorporated in Malaysia)
Registration No. 201701033607 (1247778-U)
(cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(a) Group

Key audit matters	*How our audit addressed the key audit matters*
Recoverability of contract assets and trade receivables *Refer to Note 26.2 and Note 11 to the financial statements*	
As at 31 March 2020, the Group has contract assets and trade receivables relating to contracts with customers as follows: • Contract assets of RM 22,355,805; and • Trade receivables of RM35,205,251. Management assessed the expected credit loss of contract assets and trade receivables as at 31 March 2020 in accordance with the Group's accounting policy. The Group adopted simplified approach (i.e. lifetime expected credit loss) in measuring the loss allowance, if any, for contract assets and trade receivables. The expected credit loss is estimated based on past loss experience and observable data such as current changes and future forecasts in economic conditions. Management's conclusion on the expected credit loss is judgemental as it involves collective assessment on past, present and future conditions. Due to the significance of the contract assets and trade receivables of the Group; and the involvement of management judgement and estimation in assessing the expected credit loss, these are considered key audit matters.	Our audit procedures included, among others, the following: • Understanding of the Group's process in assessing the recoverability of contract assets and trade receivables; • Reviewed the ageing analysis of receivables and tested its accuracy; • Assessed and discussed with management on the reasonableness of the key bases and assumptions used in estimation of expected credit loss with reference to the aged debts as at reporting date, payment trends and previous collection experience; • Reviewed the billing of contract assets as well as collection of trade receivables subsequent to the end of the financial year; and • Assessed the completeness, accuracy and relevance of the disclosures required by MFRS 9. Based on the procedures performed, no material exceptions were noted.

INDEPENDENT AUDITORS' REPORT

To the Members of Solarvest Holdings Berhad
(Incorporated in Malaysia)
Registration No. 201701033607 (1247778-U)
(cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(a) Group (cont'd)

Key audit matters (cont'd)	*How our audit addressed the key audit matters* (cont'd)
Revenue recognition – EPCC of solar energy solution *Refer to Note 26 to the financial statements*	
For the financial year ended 31 March 2020, the Group recognised revenue from contracts with customers amounted to RM253,433,865. The revenue of the Group is mainly derived from EPCC of solar energy solution. The percentage of completion for EPCC is based on the proportion of actual contract costs incurred for work performed to date to the estimated total contract costs. The recognition of revenue is therefore dependent on the Group's budgeted contract costs which includes estimates and judgements made by the management. This is a key audit matter as evaluating the accuracy of the budgeted contract costs and the determination of the percentage of completion of contract cost require significant judgement and estimates by the management.	Our audit procedures included, among others, the following: • Understanding of the Group's process in measuring revenue from contracts with customers; • Verified approval over contracts, projected budgeted costs and reviewed relavant terms of contracts with customer; • Assessed and discussed with management on the bases in the allocation of transaction price to separate performance obligations of those contracts with customers; • Inspected documentation which support cost estimates made including contract variations and cost contingencies; • Performed verification on the actual progress billings issued and actual cost incurred for the financial year; • Performing re-computation on revenue recognised and checked calculation of the percentage of completion; and • Assessed the completeness, accuracy and appropriateness of disclosures as required by MFRS 15. Based on the procedures performed, no material exceptions were noted.

(b) Company

We do not have any key audit matters in connection with the audit of the separate financial statements of the Company to be communicated in this report.

INDEPENDENT AUDITORS' REPORT

To the Members of Solarvest Holdings Berhad
(Incorporated in Malaysia)
Registration No. 201701033607 (1247778-U)
(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 Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of 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 and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or has 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 ISAs 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 basis of these financial statements.

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

(i) 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.

(ii) 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 and of the Company's internal control.

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

INDEPENDENT AUDITORS' REPORT

To the Members of Solarvest Holdings Berhad
(Incorporated in Malaysia)
Registration No. 201701033607 (1247778-U)
(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 ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also (cont'd):

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

(v) 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.

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

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

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

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

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.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

CHUA KAH CHUN
02696/09/2021 J
Chartered Accountant

Kuala Lumpur
05 August 2020

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020

		Group	Company	
		2020	2020	2019
	Note	RM	RM	RM
Non-current assets				
Property, plant and equipment	5	16,369,822	-	-
Investment property	6	867,729	-	-
Intangible assets	7	465,005	-	-
Investment in subsidiaries	8	-	28,261,600	-
Other investment	9	200	-	-
Deferred tax assets	10	668,303	-	-
Trade receivables	11	5,206,856	-	-
		23,577,915	28,261,600	-
Current assets				
Inventories	12	19,815,810	-	-
Trade receivables	11	29,998,395	-	-
Other receivables, deposits and prepayments	13	9,909,282	127,560	166,732
Contract assets	26.2	22,355,805	-	-
Amount owing by a subsidiary	14	-	3,000,000	-
Short term investments	15	10,102,689	10,102,689	-
Fixed deposits with financial institutions	16	23,391,979	13,108,706	-
Cash and bank balances		27,462,589	1,833,234	10
		143,036,549	28,172,189	166,742
Total assets		166,614,464	56,433,789	166,742
Equity				
Share capital	17	59,841,993	59,841,993	10
Merger deficit		(25,261,600)	-	-
Retained earnings	18	46,269,315	(3,525,299)	(1,019,655)
		80,849,708	56,316,694	(1,019,645)
Non-controlling interest		364,356	-	-
Total equity		81,214,064	56,316,694	(1,019,645)

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2020
(cont'd)

		Group	Company	
		2020	2020	2019
	Note	RM	RM	RM
Non-current liabilities				
Borrowings	19	3,278,113	-	-
Lease liabilities	20	3,213,932	-	-
Redeemable preference shares	21	5,011,457	-	-
Contract liabilities	26.2	1,679,502	-	-
Trade payables	22	598,106	-	-
		13,781,110	-	-
Current liabilities				
Trade payables	22	43,421,570	-	-
Other payables, deposits received and accruals	23	2,882,530	46,674	1,186,387
Amount owing to a subsidiary	14	-	38,030	-
Provisions	24	768,777	-	-
Borrowings	19	7,577,765	-	-
Lease liabilities	20	1,225,093	-	-
Current tax liabilities		140,081	32,391	-
Contract liabilities	26.2	15,603,474	-	-
		71,619,290	117,095	1,186,387
Total liabilities		85,400,400	117,095	1,186,387
Total equity and liabilities		166,614,464	56,433,789	166,742

STATEMENTS OF COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2020

	Note	Group 2020 RM	Company 2020 RM	Company 2019 RM
Revenue	26	253,433,865	-	-
Cost of sales		(214,249,264)	-	-
Gross profit		39,184,601	-	-
Other income	27	1,101,347	247,463	-
Administrative expenses		(16,885,366)	(792,160)	(55,170)
Sales and distribution costs		(1,768,979)	-	-
Net impairment losses on financial assets		(1,731,863)	-	-
Other expenses		(1,901,556)	(1,901,556)	(942,401)
Profit/(loss) from operations		17,998,184	(2,446,253)	(997,571)
Finance costs	28	(1,513,091)	-	-
Profit/(loss) before tax	29	16,485,093	(2,446,253)	(997,571)
Taxation	30	(509,015)	(59,391)	-
Net profit/(loss) and total comprehensive income/(loss) for the financial year		15,976,078	(2,505,644)	(997,571)
Net profit/(loss) and total comprehensive income/(loss) for the financial year attributable to:				
Owners of the Company		15,665,274	(2,505,644)	(997,571)
Non-controlling interests		310,804	-	-
		15,976,078	(2,505,644)	(997,571)
Earnings per share attributable to owners of the parent (sen per share):				
Basic/Diluted	33	6.28		

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2020

	← Attributable to owners of the Company →					
	Non-distributable		Distributable			
	Share capital	Merger deficit	(Accumulated losses)/ Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total equity
	RM	RM	RM	RM	RM	RM
Group						
Balance as at 1 April 2019	10	-	(1,019,655)	(1,019,645)	-	(1,019,645)
Contributions by and distributions to owners of the Company						
- Issuance of shares pursuant to acquisition of subsidiary company	26,261,600	(25,261,600)	31,699,551	32,699,551	(6,418)	32,693,133
- Issuance of ordinary shares	34,589,800	-	-	34,589,800	-	34,589,800
- Listing expenses	(1,009,417)	-	-	(1,009,417)	-	(1,009,417)
	59,841,983	(25,261,600)	31,699,551	66,279,934	(6,418)	66,273,516
Adjustment on initial application of MFRS 16 (Note 2.1 (ii))	-	-	(75,855)	(75,855)	-	(75,855)
Contributions by and distributions to owners of the Company						
Issuance of ordinary shares	-	-	-	-	59,970	59,970
Net profit/Total comprehensive income for the financial year	-	-	15,665,274	15,665,274	310,804	15,976,078
Balance as at 31 March 2020	59,841,993	(25,261,600)	46,269,315	80,849,708	364,356	81,214,064

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2020
(cont'd)

	Attributable to owners of the Company		
	Non-distributable	Distributable	
	Share capital	Accumulated losses	Total equity
	RM	RM	RM
Company			
Balance as at 1 April 2018	2	(22,084)	(22,082)
Issuance of ordinary shares	8	-	8
Net loss/Total comprehensive loss for the financial year	-	(997,571)	(997,571)
Balance as at 31 March 2019	10	(1,019,655)	(1,019,645)
Contributions by and distributions to owners of the Company			
- Issuance of shares pursuant to acquisition of subsidiary company	26,261,600	-	26,261,600
- Issuance of ordinary shares	34,589,800	-	34,589,800
- Listing expenses	(1,009,417)	-	(1,009,417)
	59,841,983	-	59,841,983
Net loss/Total comprehensive loss for the financial year	-	(2,505,644)	(2,505,644)
Balance as at 31 March 2020	59,841,993	(3,525,299)	56,316,694

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2020

		Group	Company	
		2020	2020	2019
	Note	RM	RM	RM
Cash flows from operating activities				
Profit/(loss) before tax		16,485,093	(2,446,253)	(997,571)
Adjustments for :-				
Amortisation of intangible assets	7	132,842	-	-
Depreciation of investment properties	6	19,463	-	-
Depreciation of property, plant and equipment	5	2,088,229	-	-
Finance costs	28	1,057,048	-	-
Unwinding discount on redeemable preference shares	21	456,043	-	-
Loss on disposal of property, plant and equipment		149	-	-
Net impairment losses on:				
- Trade receivables	11	1,589,629	-	-
- Contract assets	26	69,600	-	-
- Other receivables	35(iii)(b)	72,634	-	-
Provision for defects liabilities	24	437,000	-	-
Unrealised loss on foreign exchange		577,757	-	-
Provision for slow moving inventories	12	158,635	-	-
Finance income	27	(766,109)	(247,463)	-
Operating profit/(loss) before working capital changes		22,378,013	(2,693,716)	(997,571)
Changes in working capital:				
Increase in inventories		(17,944,832)	-	-
(Increase)/decrease in trade and other receivables		(17,805,350)	39,172	(6,732)
Increase in contract assets		(5,779,239)	-	-
Increase/(decrease) in trade and other payables, accruals and provisions		17,878,175	(1,139,713)	1,004,303
Increase in contract liabilities		9,513,760	-	-
Increase in amount owing from subsidiary, net		-	(2,961,970)	-
Cash generated from/(used in) operations		8,240,527	(6,756,227)	-
Finance costs paid		(1,057,048)	-	-
Interest received		626,571	247,463	-
Tax refund/(paid), net		1,003,105	(27,000)	-
Net cash generated from/(used in) operating activities		8,813,155	(6,535,764)	-

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2020
(cont'd)

	Note	Group 2020 RM	Company 2020 RM	Company 2019 RM
Cash flows from investing activities				
Addition of intangible assets		(6,747)	-	-
Acquisition of other investment		(200)	-	-
Acquisition of a subsidiary		-	(2,000,000)	-
Proceeds from disposal of property, plant and equipment		13,600	-	-
Acquisition of property, plant and equipment	(a)	(298,760)	-	-
Net cash used in investing activities		(292,107)	(2,000,000)	-
Cash flows from financing activities				
Increase in fixed deposits pledged		(2,047,882)	-	-
Net repayment of local bill purchase	(b)	(6,583,304)	-	-
Net drawdown of bankers acceptance	(b)	2,207,470	-	-
Net repayment of term loans	(b)	(3,357,699)	-	-
Proceeds from issuance of shares, net		33,580,383	33,580,383	8
Placement into sinking fund for banking facilities		(163,031)	-	-
Repayment of lease liabilities, net	(b)	(995,623)	-	-
Subscription of new shares in a subsidiary by a non-controlling interest		59,970	-	-
Net cash generated from financing activities		22,700,284	33,580,383	8
Net increase in cash and cash equivalents		31,221,332	25,044,619	8
Cash and cash equivalents at beginning of the financial year		12,854,275	10	2
Cash and cash equivalents at end of the financial year	31	44,075,607	25,044,629	10

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2020
(cont'd)

Note:

(a) Purchase of property, plant and equipment

	Group 2020 RM
Purchase of property, plant and equipment	1,474,591
Financed by way of lease arrangements	(1,175,831)
Cash payments	298,760

(b) Changes in liabilities arising from financing activities

	At 01.04.2019 RM	Effects of adoption of MFRS 16 RM	Acquisition of new lease RM	Net cash flows RM	At 31.03.2020 RM
Group					
Bankers' acceptance	-	-	-	2,207,470	2,207,470
Lease liabilities	1,706,216	2,416,543	1,311,889	(995,623)	4,439,025
Local bill purchase	6,583,304	-	-	(6,583,304)	-
Term loans	6,907,730	-	-	(3,357,699)	3,550,031
	15,197,250	2,416,543	1,311,889	(8,729,156)	10,196,526

(c) Total acquisition of new lease during the year included addition of software in previous financial year amounted RM136,058 under lease arrangement entered during the year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur.

The principal place of business of the Company is located at D-36-06, 3 Two Square, No 2, Jalan 19/1, 46300 Petaling Jaya, Selangor, Malaysia.

The Company is principally an investment holding company. The principal activities of the subsidiary companies are disclosed in Note 8 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 August 2020.

2. BASIS OF PREPARATION

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

The consolidated financial statements for the financial year ended 31 March 2020 comprise the financial statements of the Company and its subsidiaries. The financial statements of the Group and of the Company have been prepared under the historical cost convention except otherwise stated in Note 3 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is the functional currency of the Company.

The preparation of financial statements in conformity with MFRS requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from these estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.1 Adoption of standards and amendments to published standards during the current financial year

The accounting policies adopted by the Group and the Company is consistent with those of the previous financial period, except for the adoption of the following standards and amendments to published standards:

(i) Effective for financial period beginning on or after 1 January 2019

- MFRS 16, 'Leases'
- Amendments to MFRS 3, 'Business Combinations' and MFRS 11, 'Joint Arrangements' – Previously Held Interest in a Joint Operation
- Amendments to MFRS 9, 'Financial Instruments' – Prepayment Features with Negative Compensation
- Amendments to MFRS 112, 'Income Taxes' – Income Tax Consequences of Payments on Financial Instruments Classified as Equity
- Amendments to MFRS 119, 'Employee Benefits' – Plan Amendment, Curtailment or Settlement
- Amendments to MFRS 123, 'Borrowing Costs' – Borrowing Costs Eligible for Capitalisation
- Amendments to MFRS 128, 'Investments in Associates and Joint Ventures' – Long term Interests in Associates and Joint Ventures
- IC Interpretation 23, 'Uncertainty over Income Tax Treatments'

The Group has adopted MFRS 16 for the first time in the 2020 financial statements, which resulted in changes in accounting policies, as described in Note 3. The impact of adoption of MFRS 16 is set out in Note 2.1 (ii). Other than that, the adoption of other amendments and IC interpretations did not have any impact on the current period or any prior period and is not likely to affect future periods.

(ii) MFRS 16, 'Leases'

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. The Group adopted MFRS 16 retrospectively from 1 April 2019 using the simplified transition approach and has not restated comparatives for the 2019 reporting period, as permitted under the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of statement of financial position as at 1 April 2019.

As permitted by the exemptions under the standard, the Group have not applied the principles of MFRS 16 to short term leases (a lease with lease term of 12 months or less from date of commencement) and leases for which the underlying asset is of low value.

MFRS 16 introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statement of financial position. There are recognition exemptions for short term leases and leases of low value items. For a lessor, MFRS 16 continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.1 Adoption of standards and amendments to published standards during the current financial year (Cont'd)

(ii) MFRS 16, 'Leases' (Cont'd)

The following is a reconciliation of total operating lease commitments as at 31 March 2019 to the lease liabilities recognised at 1 April 2019:

	RM
Operating lease commitment as at 31 March 2019	3,883,798
Recognition exemption for short-term leases and leases of low-value assets	(40,798)
Extension and termination options reasonably certain to be exercised	49,000
	3,892,000
Incremental borrowing rates	5% - 6%
Discounted using the incremental borrowing rate as at date of initial application	2,416,543
Finance lease liabilities recognised on previous year	1,706,216
Total lease liabilities recognised under MFRS 16 as at 1 April 2019	4,122,759

The incremental borrowing rate and interest rate implicit in lease applied by the Group to lease liabilities as at 1 April 2019 ranges between 5% to 6% and 2.23% to 4.01%.

The following table presents the impact of changes to the statements of financial position of the Group resulting from the adoption of MFRS 16 as at 1 April 2019:

Group	As previously stated	Effects of adoption of MFRS 16	As restated
As at 31 March 2019/1 April 2019	**RM**	**RM**	**RM**
Non-current assets			
Property, plant and equipment	14,681,805	2,315,403	16,997,208
Deferred tax assets	111,885	25,285	137,170
Non-current liabilities			
Lease liabilities	1,095,697	2,208,277	3,303,974
Current liabilities			
Lease liabilities	610,519	208,266	818,785
Total liabilities	1,706,216	2,416,543	4,122,759
Equity			
Retained earnings	30,679,896	(75,855)	30,604,041

2. BASIS OF PREPARATION (CONT'D)

2.1 Adoption of standards and amendments to published standards during the current financial year (Cont'd)

(ii) MFRS 16, 'Leases' (Cont'd)

(a) Right-of-use assets comprise long-term lease on properties, motor vehicles and plant and machineries under finance lease agreement. Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.

(b) Motor vehicles and plant and machineries under finance lease which were previously classified as plant and equipment are now recognised as part of right-of-use assets.

(c) Lease liabilities are recognised and measured applying interest rate implicit in the lease. Subsequent to the initial recognition, the Company measures lease liabilities by increasing the carrying amount to reflect interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modification.

Other than the above, the lease payment for plant and equipment expiring within 12 months from date of transition and those of low value underlying assets are recognised as an expense on a straight line basis over the remaining lease term during the current financial period.

2.2 MFRS, Amendments to MFRS and IC Interpretations that have been issued, but not yet adopted

The following are accounting standards, amendments and interpretations of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group and the Company. The Group and the Company intend to adopt these standards, amendments to published standards and IC interpretations, if applicable, when they become effective in the following financial year:

(i) Effective for financial period beginning on or after 1 January 2020

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 3, 'Business Combinations' – Definition of a Business
- Amendments to MFRS 9, 'Financial Instruments', MFRS 139, 'Financial Instruments: Recognition and Measurement' and MFRS 7, 'Financial Instruments: Disclosures' – Interest Rate Benchmark Reform
- Amendments to MFRS 101, 'Presentation of Financial Statements' and MFRS 108, 'Accounting Policies', 'Changes in Accounting Estimates and Errors' – Definition of Material

(ii) Effective for financial period beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

(iii) Effective for financial period beginning on or after 1 January 2021

- MFRS 17, 'Insurance Contracts'

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.2 MFRS, Amendments to MFRS and IC Interpretations that have been issued, but not yet adopted (Cont'd)

(iv) Effective for financial period beginning on or after 1 January 2022

- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018 – 2020)
- Amendments to MFRS 3, Business Combinations – Reference to the Conceptual Framework
- Amendments to MFRS 9, Financial Instruments (Annual Improvements to MFRS Standards 2018 – 2020)
- Amendments to MFRS 16, Leases (Annual Improvements to MFRS Standards 2018 – 2020)
- Amendments to MFRS 101, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current
- 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 MFRS Standards 2018 – 2020)

(v) Deferred to a date to be determined by the MASB

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

The initial application of the abovementioned new and amendments to MFRS and IC Interpretation, where applicable, are not expected to have any material financial impact to the financial statements of the Group and the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of consolidation

(i) Investment in subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. In assessing control, potential voting rights that presently are exercisable are taken into account.

The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affects the investee's return. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(i) Investment in subsidiaries (Cont'd)

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations') or distribution. The cost of investment includes transaction costs.

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.7 to the financial statements. On disposal, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. When the Group acquires a business, it assesses the financial assets and financial liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9, 'Financial Instruments' ("MFRS 9") is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of MFRS 9, it is measured in accordance with the appropriate MFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

(iii) Common control business combination

A business combination involving entities under common control is a business combination in which all the combining entities or business are ultimately controlled by the same party or parties both before or after the business combination and that control is not transitory.

For such common control business combinations, the merger accounting principles are used to account for the assets, liabilities, results, equity changes and cash flows of the combining entities in the combined financial statements.

Under the merger method of accounting, the results of the subsidiary companies are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the end of transfer.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(iii) Common control business combination (Cont'd)

On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting credit differences is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference are classified and presented as movement in other capital reserves.

The effect of all transactions and balances between the combining entities, whether occurring before or after the combination are eliminated in preparing the financial statements. Merger deficit represents the excess arising from the nominal value of the shares issued over the nominal value of the shares acquired.

(iv) Acquisitions of non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions between the Group and its non-controlling interest holders. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received are recognised directly in equity and attributable to the equity holders of the Company.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

(vi) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity, separately from equity attributable to equity holders of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and the equity holders of the Company.

Losses applicable to non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interests, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (Cont'd)

(vii) Transactions eliminated on consolidation

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

3.2 Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

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

3.3 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group or the Company and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group or the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent to initial recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Property, plant and equipment (Cont'd)

Depreciation of an asset begins when it is ready for its intended use. Freehold land has an infinite life and therefore is not depreciated. Work-in-progress is also not depreciated as asset is not available for use. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets at the following annual rates:

Backup inverters	10%
Computers	20%
Containers	10%
Electrical and installation	10%
Freehold buildings	2%
Furniture and fittings	10%
Machineries	20%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Signboard	10%
Solar farm	4%
Tools and equipment	10%

The assets' residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The policy for recognition and measurement of impairment losses is in accordance with Note 3.8 to the financial statements.

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 on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

3.4 Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or appreciation or for both, but not for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes.

Investment properties are initially measured at cost, including expenditure directly attributable to the acquisition of investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for its intended use and the capitalised borrowing costs. Investment properties are measured using cost model. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of investment properties is provided for on the straight-line basis over the estimated useful life at the annual rate of 2%.

Investment properties are derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the disposal or retirement of an investment property is recognised in profit or loss in the year of disposal or retirement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Investment properties (Cont'd)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property 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, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 3.3 to the financial statements up to date of change in use.

3.5 Other investment

Other investment is carried at fair value through profit or loss. Where an indication of impairment exists, the carrying amount of the other investment is assessed and written down immediately to its recoverable amount, in line with the accounting policy set out in Note 3.8 to this report.

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

3.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs comprises purchase price and directly attributable costs of bringing the inventories to their present location and conditions. Cost of inventories is determined by the weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

3.7 Intangible assets

Intangible assets, other than goodwill, that are acquired by the Group or the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Other intangible assets are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least once at the end of each financial reporting period.

Gains or losses arising from derecognition of an intangible asset are measured as the differences between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss when the asset is derecognised.

(a) Trademarks

The estimated useful life of trademark is 10 years.

(b) Software licences

The Group has developed the following criteria to identify computer software licence to be classified as property, plant and equipment or intangible asset:

(i) Software licence that is embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware and is treated as property, plant and equipment;

(ii) Application software that is being used on a computer that is generally easily replaced and is not an integral part of the related hardware is classified as intangible asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Intangible assets (Cont'd)

Due to the risk of technological changes, the useful lives of all software licences are generally assessed to be finite. Software licence that is classified as intangible assets are amortised on a straight-line basis over its estimated useful life of 5 years.

3.8 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset (except for inventories, current tax assets and deferred tax assets) may be impaired. If any such indication exists, the Group or the Company makes an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful lives or that are not available for use, the recoverable amount is estimated each period at the same time.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGU 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 the combination.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss except for assets that have been previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rated basis.

An impairment loss in respect of goodwill is not reversed. An impairment loss in respect of assets other than goodwill recognised in prior periods is assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, net of bank overdrafts and exclude deposits and bank balances pledged to secure banking facilities.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial assets

(i) Initial recognition and subsequent measurement

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

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets under MFRS 9, 'Financial Instruments' are as below:

(a) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(b) Financial assets measured at fair value

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income, except impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL. The Group and Company do not have any financial assets measured at FVTOCI or FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Financial assets are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company do not have any financial assets that are equity instruments.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value of these financial assets are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's or the Company's right to receive payment is established.

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For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial assets (Cont'd)

(ii) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

(iii) Impairment of financial assets

The Group and the Company assess at each financial year end whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occuring over the expected life with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating, historical experience on similar assets and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive. The carrying amount of the financial asset is reduced through the use of an allowance account and the impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance account.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Financial assets (Cont'd)

(iii) Impairment of financial assets (Cont'd)

(a) Financial assets other than trade receivables and contract assets

The Company measures the impairment loss on financial assets other than trade receivables and contract assets based on the two-step approach:

- 12-months expected credit loss ("ECL")

  For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company shall measure the allowance for impairment for that financial asset at an amount based on the probability of default occurring within the next 12 months considering the loss given default of that financial asset.

- Lifetime ECL

  For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime ECL for that financial asset is recognised as allowance for impairment by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company shall revert the loss allowance measurement from lifetime ECL to 12-months ECL.

At each financial year end, the Group and the Company assess whether there is a significant increase in credit risk for financial assets other than trade receivables and contract assets since initial recognition by comparing the risk of default on these financial assets as at the financial year end with the risk of default as at the date of initial recognition. The Group and the Company consider external credit rating, historical experience on similar assets and other supportive information to assess deterioration in credit quality of these financial assets.

(b) Trade receivables and contract assets

For trade receivables and contract assets, the Group and the Company measure impairment loss based on lifetime ECL at each reporting date until the financial assets are derecognised.

3.11 Financial liabilities

(i) Initial recognition and subsequent measurement

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. All financial liabilities are measured initially at fair value plus directly attributable costs, except in the case of financial liabilities at FVTPL.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.11 Financial liabilities (Cont'd)

(i) Initial recognition and subsequent measurement (Cont'd)

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities held for trading include derivatives entered into by the Group or the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL in the current and previous financial years.

(b) Other financial liabilities

Other financial liabilities include payables, amount owing to subsidiaries, borrowings and lease liabilities.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Group or the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(ii) Derecognition

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

3.12 Provisions

Provisions are recognised when the Group or the Company has 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.

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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Provisions (Cont'd)

(i) Provision for defects liability

A provision is recognised when customer issues initial acceptance certificate after completion of EPCC contract. Initial recognition is made based on estimation of material, machines, contractors and labour costs during the defects liability period. Provision is made by estimating costs to be incurred for each type of repair pertinent to scope of work for the LSSPV contract. Larger LSSPV contracts are expected to incur higher costs for the same type of repair due to its size. The Group and the Company have also considered their past experience in rectifying defects for clients in the commercial/industrial and residential segments for certain types of repair common to solar PV installation, adjusting them to the scale required for LSSPV projects. This initial estimate is revised annually when there is a change in expectations and assumptions used.

The provision for defects liabilities are reversed as and when expenses are incurred to perform defects rectification, and entirely at the end of defects liability period. Any under-provision will be charged to profit or loss during the financial year.

3.13 Leases

The Group and the Company have recognised and measured its leases in accordance MFRS 16 effective from 1 April 2019. The financial impact to the financial statements on initial application of this Standard is disclosed in Note 2.1 (ii).

Recognition and measurement in financial year ended 31 March 2020

(i) As lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprise:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and the Company; and
- an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets or lease term whichever is earlier. If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciates the right-of-use asset 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Leases (Cont'd)

Recognition and measurement in financial year ended 31 March 2020 (Cont'd)

(i) As lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If rate cannot be readily determined, the Group's incremental borrowing rate is used. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) As lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Recognition and measurement in financial year ended 31 March 2019

- **As lessee in finance and operating lease**

(i) Finance lease

Finance leases are leases which transfer to the Group substantially all the risk and rewards incidental to ownership of the leased item. Upon initial recognition, lease assets are capitalised at the inception of the lease at their fair value or, if lower, the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. The liability is included in the statements of financial position as finance lease liabilities.

Minimum lease payments made are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant periodic rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent lease payments, if any, are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Lease assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

(ii) Operating lease

Operating leases are leases where the Group does not assume substantially all the risks and rewards of ownership and are classified as operating leases, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property and measured using fair value model.

Operating lease payments are recognised as an expense in profit or loss on the straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Leases (Cont'd)

Recognition and measurement in financial year ended 31 March 2019 (Cont'd)

- **As lessor in operating lease**

  Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 3.15 to the financial statements.

3.14 Revenue

The Group recognises revenue from contracts with the customers based on the five-step model as set out in MFRS 15:

(i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expect to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group satisfies a performance obligation.

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:

(i) Do not create an asset with an alternative use to the Group and have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or services, it creates a contract-based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (Cont'd)

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

(a) EPCC of solar energy solution

The Group provides turnkey EPCC services in solar energy solution to customers in three categories: residential, commercial and industrial (roof-top projects) and large scale solar energy producers. Their end-to-end solution covers the initial feasibility to in-depth system designs and installations, project commissioning to project handover that caters to all types of solar photovoltaic projects.

EPCC contracts involve multiple deliverables, such as solar system design, supply of solar energy equipment, installation of solar energy system and testing of newly installed solar energy system. As the Group provides significant integration service for the multiple performance obligations, they are accounted for as a single performance obligation.

For EPCC projects, the Group transfers control of goods and services over time and, therefore satisfies a performance obligation and recognises revenue over time. The Group is restricted contractually from directing the solar energy system under construction for another use as they are being developed and has an enforceable right to payment for performance completed to date. Therefore, revenue is recognised over time, based on the costs incurred to date as a proportion of the estimated total costs to be incurred. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives, penalties and liquidated ascertained damages. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Progress billings to the customer are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but have not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but have billed or received advance payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group perform under the contract.

When the outcome of a contract cannot be reasonably measured but the Group expect to recover the costs incurred in satisfying the performance obligation, revenue is recognised only to the extent of contract costs incurred until such time that the Group can reasonably measure the outcome of the performance obligation. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue on a contract, the expected loss is recognised as an expense immediately, with a corresponding provision for an onerous contract.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Revenue (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(b) Operation and maintenance ("O&M") of solar energy system

Within their activities of EPCC (turnkey) of solar energy system, the Group provides warranty of between 2 and 5 years to customers in the residential and commercial and industrial segments for workmanship defects, performance monitoring and on-site support and repair services (collectively referred to as O&M) to ensure optimal operation of solar energy system installation. Customers may renew the O&M services after expiry of the warranty provided by the Group.

The O&M is a distinct service to the customer in addition to the assurance that the product complies with agreed-upon specifications. Under MFRS 15, the Group account for a service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price. The portion of the consideration allocated to the service-type warranty is initially recorded as a contract liability and recognised as revenue over the period the warranty services are provided.

In addition to O&M services included within EPCC contracts, the Group also provides O&M services on ad hoc basis to existing and new customers.

Obligation to repair or replace equipment and parts are standard warranty provided by the equipment and parts manufacturer for a period between 5 and 25 years.

(c) Sale of electricity through solar energy generation

The Group sell electricity generated through its self-constructed solar plant to electric utility company, Tenaga Nasional Berhad under a 21-year renewable energy power purchase agreement. Revenue is recognised upon delivery of electricity by kilowatt-hour to the utility company's grid and acceptance by the utility company.

3.15 Other operating income

(i) Rental income

Revenue from rental of investment properties and property, plant and equipment is recognised on accrual basis.

(ii) Interest income

Interest income from financing provided to trade receivables is recognised using the effective interest method. When a receivable is impaired (for the time value of money effect when outstanding balances are converted into instalment plan), the Group and the Company reduce the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continue unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

For fixed deposits with financial institutions, interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group or the Company.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Employee benefits

(i) Short-term benefits

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences.

Non-accumulating compensated absences, such as sick leave, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the reporting date.

Profit-sharing and bonus plans are recognised when the Group and the Company have a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Group and the Company have no realistic alternative but to make the payments.

(ii) Defined contribution plans

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

3.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

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

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

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

(b) in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

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

(b) in respect of deductible temporary differences associated with investment in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which that temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the 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 assets and liabilities are measured at the tax rates that are expected to apply to the years 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.18 Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

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

(iii) Sales and Service Tax ("SST")

Revenue, expenses and assets are recognised net of SST except:

- where the SST incurred in a purchase of asset or service the SST is recognised as part of cost of acquisition of asset or as part of the expense item as applicable; and
- receivables and payables that stated with SST inclusive.

The SST payable to the taxation authority is included as part of payables in the statements of financial position.

The Malaysian Government has zero rated the GST effective from 1 June 2018. The GST has been replaced with ST which came into effect on 1 September 2018. The rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

3.19 Share capital and dividends

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments.

(i) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(ii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share capital is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

(iii) Share issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

3.20 Fair value measurement

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Fair value measurement (Cont'd)

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

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

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

Level 2: inputs other than quoted prices included within 1 level 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 transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Related parties

A related party is a person or an entity that is related to the Group and the Company under the following conditions:

(i) A person or a close member of that person's family:

- (a) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
- (b) has control or joint control over the reporting entity; or
- (c) has significant influence over the reporting entity.

(ii) Any one of the following condition applies:

- (a) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
- (c) both entities are joint ventures of a third entity.
- (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
- (f) the entity is controlled or jointly controlled by a person identified in (i).
- (g) a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.
- (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

(iii) Directly, or indirectly through one or more intermediaries, the party:

- (a) controls, is controlled by, or is under common control with, the Group and the Company (this includes parents, subsidiaries, fellow subsidiaries and fellow associates and joint ventures);
- (b) has an interest in the entity that gives it significant influence over the entity; or
- (c) has joint control over the entity.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.21 Related parties (Cont'd)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that 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 entity and include:

(i) that person's children and spouse or domestic partner;
(ii) children of that person's spouse or domestic partner; and
(iii) dependants of that person or that person's spouse or domestic partner.

3.22 Contract assets and contract liabilities

Contract assets are the right to consideration for goods or services transferred to the customers. In the case of EPCC contracts, contract assets are the excess of cumulative revenue earned over the billings to date. When there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract liabilities are the obligation to transfer goods or services to customer for which the Group have received the consideration or have billed the customer. In the case of EPCC, contract liabilities are the excess of the billings to date over the cumulative revenue earned. Contract liabilities also include outstanding operations and maintenance services to be rendered over several financial years.

3.23 Earnings per share ("EPS")

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

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, which comprise convertible notes and share options granted to employees.

3.24 Operating segment

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the application of the accounting policies of the Group and the Company, the management is required to make judgements, estimates and assumptions about the carrying amounts of revenues, expenses, assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Areas with most significant uses of judgement and estimates

(a) Classification of non-current bank borrowings

Term loan agreements entered into by the Group include repayment on demand clauses at the discretion of financial institutions. The Group believe that in the absence of a default being committed by the Group, these financial institutions are not entitled to exercise their right to demand for repayment. Accordingly, the carrying amount of the term loans have been classified between current and non-current liabilities based on their repayment period.

(b) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on the straight-line basis over the asset's useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

(c) Taxes

Liability for taxation is recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice of whether additional taxes will be payable. When the final outcome of the tax payable is determined with the tax authority, the amount might be different from the initial estimate of the tax payable. Such difference may impact the income tax in the period when such determination is made. The Group and the Company will adjust for the differences as over-or under-provision of income tax in the period in which those differences arise.

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 10.

(d) Impairment of financial assets

The Group recognised impairment losses for trade and other receivables using the ECL model based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

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

(i) Areas with most significant uses of judgement and estimates (Cont'd)

(e) Measurement of revenue

Revenue is recognised when or as the control of the asset is transferred to customers and, depending on the terms of the contract, control of the asset may transfer over time or at a point in time.

- **EPCC (turnkey) for solar energy solution**

  For EPCC contracts where the Group satisfies their performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the solar energy system to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for the contracts. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the completion of the EPCC contracts. The estimated total construction and other related costs to be incurred up to the completion of EPCC contracts are based on contracted amounts and past experience and knowledge of the management to make estimates of the amounts to be incurred.

- **O&M of solar energy solution**

  For EPCC contracts that also include warranty and maintenance services subsequent to commissioning, there is an additional performance obligation on top of EPCC work. For these contracts, the Group have to allocate transaction price to each performance obligation on a relative stand-alone selling price basis. The Group allocate the transaction price to service warranty by estimating its standalone selling price applying the expected cost plus a margin approach. Under this approach, the Group forecast their expected costs of satisfying a performance obligation and then add an appropriate margin to the service.

(f) Determination of transaction prices

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

(g) Measurement of right-of-use assets and lease liabilities

The right-of-use assets are depreciated on the straight-line basis over the assets useful lives or lease term, whichever is earlier. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

The lease term has been determined based on the non-cancellable period of lease in term and conditions of the arrangements together with both:

(i) periods covered by an option to extend the leases; and
(ii) periods covered by an option to terminate the lease.

In determining whether it is reasonably certain that an option to extend the lease or not to exercise an option to terminate the lease will be exercised, management has considered all relevant factors and circumstances that have created the economic incentives to exercise such option when exercising its judgement in the assessment.

In determining the incremental borrowing rate, the Group first determine the closest borrowing rate before using significant judgement to determine the adjustments required to reflect the term, security, value of economic environmental of the respective leases.

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2020	At 01.04.2019 RM	Effects of adoption of MFRS 16 RM	Additions RM	Disposals RM	At 31.03.2020 RM
Cost					
Backup inverter	436,136	-	-	-	436,136
Building	-	469,067	483,053	-	952,120
Computers	417,665	-	265,204	-	682,869
Containers	565,227	-	11,440	-	576,667
Electrical and installation	129,352	-	-	-	129,352
Freehold buildings	3,214,410	-	-	-	3,214,410
Freehold land	1,377,605	-	-	-	1,377,605
Furniture and fittings	372,436	-	10,592	-	383,028
Leased land	-	2,145,630	-	-	2,145,630
Machineries	2,153,941	-	-	-	2,153,941
Motor vehicles	3,807,166	-	592,055	(10,450)	4,388,771
Office equipment	310,524	-	20,264	-	330,788
Renovation	1,086,693	-	17,190	-	1,103,883
Signboard	53,745	-	8,350	-	62,095
Solar farm	4,987,257	-	-	-	4,987,257
Tools and equipment	567,299	-	66,443	(15,300)	618,442
	19,479,456	2,614,697	1,474,591	(25,750)	23,542,994

2020	At 01.04.2019 RM	Effects of adoption of MFRS 16 RM	Charge for the year RM	Disposals RM	At 31.03.2020 RM
Accumulated Depreciation					
Backup inverter	87,227	-	43,614	-	130,841
Building	-	104,236	228,544	-	332,780
Computers	179,468	-	95,328	-	274,796
Containers	76,337	-	57,667	-	134,004
Electrical and installation	31,588	-	12,935	-	44,523
Freehold buildings	263,775	-	64,288	-	328,063
Freehold land	-	-	-	-	-
Furniture and fittings	110,381	-	37,941	-	148,322
Leased land	-	195,058	97,529	-	292,587
Machineries	504,889	-	430,788	-	935,677
Motor vehicles	2,014,929	-	610,644	(9,578)	2,615,995
Office equipment	91,883	-	32,505	-	124,388
Renovation	321,032	-	110,016	-	431,048
Signboard	16,667	-	6,070	-	22,737
Solar farm	997,298	-	199,490	-	1,196,788
Tools and equipment	102,176	-	60,870	(2,423)	160,623
	4,797,650	299,294	2,088,229	(12,001)	7,173,172

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

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

Group

	As at 31.03.2020 RM
Net carrying amounts	
Backup inverter	305,295
Building	619,340
Computers	408,073
Containers	442,663
Electrical and installation	84,829
Freehold buildings	2,886,347
Freehold land	1,377,605
Furniture and fittings	234,706
Leased land	1,853,043
Machineries	1,218,264
Motor vehicles	1,772,776
Office equipment	206,400
Renovation	672,835
Signboard	39,358
Solar farm	3,790,469
Tools and equipment	457,819
	16,369,822

(a) Right-of-use assets

The right-of-use assets represent operating lease agreements entered into by the Group for the use of land, office and staff hostel. The leases are mainly for an initial lease of one (1) to twenty-five (25) years.

The Group also has leased computers and motor vehicles with lease term of one (1) to five (5) years.

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

(a) Right-of-use assets (Cont'd)

Additional information on the right-of-use assets is as follows:-

	Leased land	Building	Computer	Motor Vehicle	Total
	RM	RM	RM	RM	RM
Cost					
At 1 April 2019	-	-	-	2,342,151	2,342,151
Effects of adoption of MFRS 16	2,145,630	469,067	-	-	2,614,697
Addition	-	483,053	133,079	592,055	1,208,187
At 31 March 2020	2,145,630	952,120	133,079	2,934,206	6,165,035
Accumulated depreciation					
At 1 April 2019	-	-	-	880,605	880,605
Effects of adoption of MFRS 16	195,058	104,236	-	-	299,294
Depreciation charge	97,529	228,544	8,880	471,335	806,288
At 31 March 2020	292,587	332,780	8,880	1,351,940	1,986,187
Net carrying amounts					
At 31 March 2020	1,853,043	619,340	124,199	1,582,266	4,178,848

*The above right-of-use assets have been included in property, plant and equipment.

(b) The carrying amount of property, plant and equipment of the Group pledged to secure banking facilities as disclosed in Note 19 to the financial statements, is as follows:

	Group 2020
	RM
Freehold buildings	2,886,347
Freehold land	1,377,605
Solar farm	3,790,469
	8,054,421

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

6. INVESTMENT PROPERTY

Group	Freehold buildings RM	Total RM
Cost		
At 1 April 2019/ 31 March 2020	973,154	973,154
Accumulated depreciation		
At 1 April 2019	85,962	85,962
Depreciation charge for the year	19,463	19,463
At 31 March 2020	105,425	105,425
Net carrying amount		
At 31 March 2020	867,729	867,729

At reporting date, the investment property is a commercial property leased to a third party. The third-party lease was for a non-cancellable period of 2 years, with future minimum lease payments disclosed in Note 25.3 to the financial statements. No contingent rents were charged.

The investment property of the Group is pledged to secure banking facilities, as disclosed in Note 19 to the financial statements.

The following are recognised in profit or loss in respect of investment property:

	Group 2020 RM
Rental income from external party	60,000

The amount of operating expenses arising from investment property are immaterial.

Fair value of investment property is as follows:

	Group Level 3 2020 RM
Freehold building	870,000

The fair value represents the amounts at which the property could be exchanged on an open market basis between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the reporting date. The fair value of the investment property as at 31 March 2020 was estimated by the Directors of the Group.

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

7. INTANGIBLE ASSETS

	Group 2020 RM
Trademarks	600
Software	464,405
	465,005

	Trademarks RM	Software RM	Total RM
Cost			
At 1 April 2019	1,150	708,013	709,163
Addition during the year	-	6,747	6,747
Reversal during the year	-	(40,545)	(40,545)
At 31 March 2020	1,150	674,215	675,365
Accumulated amortisation			
At 1 April 2019	435	77,083	77,518
Amortisation charge during the year	115	132,727	132,842
At 31 March 2020	550	209,810	210,360
Net carrying amounts			
At 31 March 2020	600	464,405	465,005

Software is acquired under lease arrangement as disclosed in Note 20 to the financial statements.

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RM	2019 RM
Unquoted shares, at cost		
At 1 April	-	-
Additions	28,261,600	-
At 31 March	28,261,600	-

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest 2020 %	Principal activities
Direct subsidiaries			
Atlantic Blue Sdn. Bhd. ("Atlantic Blue")	Malaysia	100%	Provision of engineering, procurement, construction and commissioning for solar photovoltaic systems and investment in solar photovoltaic plant
Solarvest Asset Management Sdn. Bhd. ("Solarvest Asset Management")	Malaysia	100%	Dormant
Subsidiaries of Atlantic Blue			
Powertrack Sdn. Bhd. ("Powertrack")	Malaysia	100%	Provision of design, testing and commissioning, and operations and maintenance of solar photovoltaic system
Solarvest Energy Sdn. Bhd. ("Solarvest Energy")	Malaysia	100%	Provision of engineering, procurement, construction and commissioning services for solar photovoltaic systems
Subsidiaries of Solarvest Energy			
Solarvest Energy (SR) Sdn. Bhd. ("Solarvest SR")	Malaysia	70%	Provision of engineering, procurement, construction and commissioning services for solar photovoltaic systems
Solarvest (Taiwan) Corporate Limited ("Solarvest Taiwan") #	Taiwan	100%	Dormant

Not audited by Ecovis Malaysia PLT

(i) On 6 August 2019, Solarvest Energy further subscribed for an additional 139,930 ordinary shares allotted by Solarvest SR for cash consideration of RM139,930. The new ordinary shares rank pari passu with existing ordinary shares of Solarvest SR.

(ii) On 24 December 2019, the Company incorporated a wholly owned subsidiary, Solarvest Asset Management by subscribing 100 ordinary shares for a total cash consideration of RM100.

(iii) On 12 February 2020, the Company further subscribed 1,999,900 ordinary shares of Solarvest Asset Management for a total cash consideration of RM1,999,900.

(iv) On 5 February 2020, Solarvest Energy incorporated a wholly owned subsidiary, Solarvest Taiwan by subscribing a total of 1,000,000 ordinary shares for a total cash consideration of RM139,750.

9. OTHER INVESTMENT

	Group 2020 RM
Unquoted shares, at cost	200

10. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities relate to:

	Group 2020 RM
Deferred tax assets	981,439
Deferred tax liabilities	(313,136)
	668,303
Deferred tax assets:	
Contract liabilities	25,978
Other payables and accruals	134,076
Impairment loss on trade receivables	319,778
Provisions	501,607
Total deferred tax assets	981,439
Deferred tax liabilities:	
Property, plant and equipment	313,136
Total deferred tax liabilities	313,136

The components and movement of the Group's deferred tax assets and liabilities are as follows:

	Note	Contract liabilities RM	Other payables and accruals RM	Impairment loss on trade receivables RM	Provisions RM	Property, plant and equipment RM	Total RM
Group							
At 1 April 2019		52,430	156,000	146,217	79,428	(322,190)	111,885
Effect of adoption of MFRS 16	2.1 (ii)	-	-	-	-	25,285	25,285
Credited/ (charged) to profit and loss:							
- origination and reversal of temporary differences	30	(26,452)	(21,924)	173,561	422,179	(16,231)	531,133
At 31 March 2020		25,978	134,076	319,778	501,607	(313,136)	668,303

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

11. TRADE RECEIVABLES

	Note	Group 2020 RM
Non-current:		
Receivables from contracts with customers		
- external parties	(a)	133,989
Retention sum receivables		
- external parties		4,624,818
- related parties		448,049
		5,206,856
Current:		
Receivables from contracts with customers		
- external parties	(a)	26,207,308
- related parties		965,063
Retention sum receivables		
- external parties		5,027,277
		32,199,648
Less: Impairment loss		(2,201,253)
		29,998,395
Total trade receivables		35,205,251
Retention sum receivable		(9,340,432)
Trade receivables at amortised cost		25,864,819
At amortised cost:		
Receivable within one year		25,730,830
Receivable after one year		133,989
		25,864,819

(a) Trade receivables on deferred payment terms

The Group has arranged for past due receivables amounting to RM433,859 at reporting date to settle their balances under monthly instalment agreement with annual interest rates ranging from 0% to 5% and tenure ranging between 10 and 60 months .

11. TRADE RECEIVABLES (CONT'D)

(a) Trade receivables on deferred payment terms (Cont'd)

Analysis of trade receivables on deferred payment terms are as follows:

	Group 2020 RM
Nominal value	
At 1 April	638,643
Repayment	(119,883)
At 31 March	518,760
Discount	
At 1 April	178,717
Less: Unwinding of discount (Note 27)	(61,655)
Less: Interest income (Note 27)	(32,161)
At 31 March	84,901
Carrying amount at end of the financial year	433,859

All trade receivables are denominated in Ringgit Malaysia ("RM").

Trade receivables are non-interest bearing (except trade receivables on deferred payment terms disclosed in Note 11 (a)) and are generally on 30 days' term.

Amount owing by related parties are unsecured, interest free, repayable on demand and are to be settled in cash. Also included in receivables from related parties are balances owing from companies owned by certain Directors of the Company.

(b) Trade receivables that are impaired

The Group has trade receivables amounting RM2,201,253 that have been impaired.

Receivables that are individually determined to be impaired at the end of the financial year relate to receivables that are in significant financial difficulties and have defaulted on payments or the Directors of the Group is of the opinion that it is not recoverable.

The Group applies the simplified approach whereby allowance for impairment is measured at lifetime ECL. The movement of the impairment loss on trade receivables of the Group is as follows.

	Lifetime ECL allowance RM	Specific allowance RM	Total RM
Group			
At 1 April 2019	16,718	594,906	611,624
Charge for the year (Note 29)	657,944	1,022,041	1,679,985
Reversal for the year (Note 29)	-	(12,406)	(12,406)
Written off for the year (Note 29)	-	(77,950)	(77,950)
At 31 March 2020	674,662	1,526,591	2,201,253

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

12. INVENTORIES

	Group
	2020
	RM
Puchased materials	18,805,284
Inventories in transit	1,010,526
	19,815,810

Inventories recognised as cost of sales in the current financial year by the Group is RM121,831,180. Total provision for slow moving inventories recognised by the Group during the year amounting to RM158,635.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Other receivables			
- third parties	815,319	26,500	166,732
Deposits	782,645	5,000	-
Prepayments	8,383,952	96,060	-
	9,981,916	127,560	166,732
Less: Impairment losses	(72,634)	-	-
	9,909,282	127,560	166,732
Total other receivables, deposits and prepayments	9,909,282	127,560	166,732
Less: GST receivable	(98,170)	-	-
Less: Prepayments	(8,383,952)	(96,060)	-
Total other receivables and deposits carried at amortised cost	1,427,160	31,500	166,732

Movement of impairment loss on other receivables is as follows:

	Group
	2020
	RM
Balance at 1 April 2019	-
Net impairment losses during the financial year	72,634
Balance at 31 March 2020	72,634

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

Other receivables of the Company on previous year consist of share issue costs incurred prior to completion of the initial public offering ("IPO") recognised as deferred expenditure. At completion of the IPO, the deferred share issue costs have been set off against retained earnings.

Other receivables of the Group consist of premium refunds from life insurance policies of certain Directors of the Group pledged to a licensed financial institution to secure bank borrowings disclosed in Note 19 to the financial statements. Premium for the policies have been fully paid. The bank borrowings had been fully settled during current financial year and the premium refunds are expected to be receivable on the next financial year.

Analysis of the premium refund receivable is as follows:

	Group 2020 RM
Nominal value	
At 1 April 2019/31 March 2020	317,632
Discount	
At 1 April 2019	77,883
Less: Unwinding of discount (Note 27)	(77,883)
At 31 March 2020	-
Net carrying amount	317,632

The currency profile of the other receivables are summarised below:

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Ringgit Malaysia	813,542	26,500	166,732
United States Dollar	1,777	-	-
	815,319	26,500	166,732

14. AMOUNT OWING BY/(TO) SUBSIDIARIES

Amount owing by/(to) subsidiaries is unsecured, interest free and repayable/(payable) on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

15. SHORT TERM INVESTMENTS

	Group and Company 2020 RM
Fair value through profit or loss	10,102,689

This represents investment in money market fund and cash fund in Malaysia.

16. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

Fixed deposits held by the Group and the Company amounting to RM10,283,274 are pledged to financial institutions for bank facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements.

At reporting date, the weighted average interest rate of fixed deposits of the Group and of the Company is 2.50% and 2.16% respectively and tenure range between 1 to 12 months.

17. SHARE CAPITAL

	Group and the Company			
	2020		2019	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up:				
Balance as at 1 April	100	10	2	2
Subdivision of existing ordinary shares	-	-	18	
Issued during the financial year	390,623,555	60,851,400	80	8
Share issuance expenses	-	(1,009,417)	-	-
Balance as at 31 March	390,623,655	59,841,993	100	10

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

The information of the newly issued ordinary shares had being disclosed in significant events during the financial year, Note 40 to the financial statements.

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

18. RETAINED EARNINGS

The retained earnings of the Company and its subsidiaries are available for distribution by way of cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There are no potential income tax consequences to the Company that would result from the payment of dividends to shareholders. The dividends would not be taxable in the hands of the shareholders.

19. BORROWINGS

	Group 2020 RM
Non-current:	
Term loans	
- later than one year and not later than two years	293,219
- later than two years and not later than five years	940,053
- later than five years	2,044,841
	3,278,113
Current:	
Bank overdraft	5,098,376
Banker's acceptance	2,207,470
Term loans	271,919
	7,577,765
Total borrowings	10,855,878

Above borrowings are secured by:

(i) Freehold land and buildings as disclosed in Note 5 and 6 to the financial statements;
(ii) Joint and several guarantee by certain Directors of the Group and of the Company;
(iii) Fixed deposits with licensed financial institutions as disclosed in Note 16 to the financial statements;
(iv) Corporate guarantee by subsidiary of the Company;
(v) Fixed charge over receivables from sale of electricity generated by solar farm;
(vi) Fixed charge over a sinking fund account as disclosed in Note 31 to the financial statements;
(vii) Credit guarantee by Credit Guarantee Corporation Malaysia Berhad; and
(viii) A subsidiary of the Company shall maintain a gearing ratio of no more than 3.0 times.

The range of interest rates per annum on bank borrowings of the Group as at reporting date are as follows:

	Group 2020 %
Banker's acceptance	3.72% - 4.38%
Bank Overdraft	6.85% - 7.67%
Term loans	4% - 7.67%

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

20. LEASE LIABILITIES

	Group 2020 RM
Future minimum lease payments:	
- not later than one year	1,440,058
- later than one year and not later than five years	2,043,389
- later than five years	2,450,000
	5,933,447
Less: Finance charges	(1,494,422)
Present value of lease liabilities	4,439,025
Non-current:	
- later than one year and not later than five years	1,550,785
- later than five years	1,663,147
	3,213,932
Current:	
- not later than one year	1,225,093
Total lease liabilities	4,439,025

The lease liabilities bear effective annual interest rate as at end of the reporting period range from 3.33% to 7.19% per annum.

21. REDEEMABLE PREFERENCE SHARES

	Group 2020 Number of shares
Issued and fully paid-up shares classified as debt instruments:	
At 1 April 2019/31 March 2020	7,200,000

	Group 2020 RM
Nominal value	
At 1 April 2019/31 March 2020	7,200,000
Discount	
At 1 April 2019	2,644,586
Less: Unwinding of discount	(456,043)
At 31 March 2020	2,188,543
Net carrying amounts	5,011,457

21. REDEEMABLE PREFERENCE SHARES (CONT'D)

The salient features of the redeemable preference shares are as follows:

(i) They rank pari passu among themselves but in priority to all other shares of the Company;
(ii) They are not be transferrable;
(iii) They shall not be entitled to any form of dividend payment;
(iv) Upon any winding up, liquidation or any return of capital of the Company, the holders of the shares shall have priority in the repayment of capital and all monies due over any payment to the holders of all other shares in the capital of the Company;
(v) They do not carry the right to vote;
(vi) The redemption price for each share is equivalent to its issuance price.
(vii) They are redeemable at the option of the Company at any time and shall be redeemed in full at the fifth anniversary of their issuance on 19 January 2024.

22. TRADE PAYABLES

	Group 2020 RM
Non-current:	
Retention sum payable	598,106
Current:	
Trade payables	34,688,611
Retention sum payable	3,686,443
Accruals	5,046,516
	43,421,570
Total trade payables	44,019,676
Total retention sum payable	(4,284,549)
Trade payables at amortised cost	39,735,127

The currency profile of the trade payables are summarised below:

	Group 2020 RM
Ringgit Malaysia	29,153,578
United States Dollar	14,866,098
	44,019,676

Trade payables are non-interest bearing. The normal credit terms granted to the Group range from 30 to 90 days.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

23. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Other payables			
- third parties	269,010	13,674	365,514
- related party	-	-	815,873
	269,010	13,674	1,181,387
Accruals	2,574,007	33,000	5,000
Deposit received	39,513	-	-
	2,882,530	46,674	1,186,387

Other payables are non-interest bearing and have an average term of 3 months. Amount owing to a related party is unsecured, interest free and payable on demand in cash and cash equivalents.

24. PROVISIONS

	Group
	2020
	RM
Provision for defects liabilities	768,777

Movement of provision for defects liability during the financial year:

	Group
	2020
	RM
At 1 April 2019	331,777
Provision made during the year	437,000
At 31 March 2020	768,777

Upon issuance of initial acceptance certificate by customer after completion of EPCC contract for large scale solar photovoltaic system ("LSSPV"), the Group give one or two years of defects warranty on installed structure and undertake to repair or replace parts that fail to perform satisfactorily. Initial recognition of the provision is based on estimation of material, machines, contractor and labour costs during the defects liability period. The Group estimate costs to be incurred for each type of repair pertinent to scope of work for the LSSPV contract. Larger LSSPV contracts are expected to incur higher costs for the same type of repair due to its size.

Provision is not made for solar photovoltaic panels, inverters, mounting structure and monitoring devices used in the installation as the suppliers of those equipment provide standard warranty directly to end customer.

The Group uses their past experience of costs incurred to rectify defects for certain repairs common to all solar photovoltaic installation by adjusting them to the scale required for the respective LSSPV contract. It is expected that most of these costs will be incurred within one year from the reporting period.

25. PERFORMANCE GUARANTEE AND COMMITMENTS

25.1 Performance guarantee and bonds

In the ordinary course of business, the Group may obtain bank guarantee which the Group provides to customers to secure performance under contracts or in lieu of retention being withheld on contracts. A liability would only arise in the event the Group fails to fulfill its contractual obligations.

The outstanding guarantees as at 31 March are as follows:

	Group 2020 RM
Secured:	
Performance guarantee to customers	1,630,652
Warranty bond to customer	215,800
Advance payment bond	1,010,000

25.2 Corporate guarantee

	Company 2020 RM
Unsecured	
Corporate guarantee given to licensed banks to secure credit facilities granted to a subsidiary company, Atlantic Blue Sdn. Bhd.	30,089,119

25.3 Leases as lessor

The Group leased out a portion of their buildings held under property, plant and equipment and investment properties. The future minimum lease receivables under leases from external parties are as follows:

	Group 2020 RM
Not later than one year	29,000
More than one year to five years	36,000
More than five years	117,000
	182,000

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

26. REVENUE

	Group 2020 RM
Revenue from contracts with customers	253,433,865

26.1 Disaggregation of revenue from contracts with customers

The Group derive revenue from the transfer of goods and services over time in the following major product lines:

	EPCC of solar energy solution RM	Operations and maintenance of solar energy system (note (a)) RM	Sale of electricity through solar energy generation RM	Others (note (b)) RM	Total RM
Group					
2020					
Segment revenue	265,494,955	1,486,823	1,841,068	3,924,352	272,747,198
Intercompany revenue	(19,006,889)	(306,444)	-	-	(19,313,333)
	246,488,066	1,180,379	1,841,068	3,924,352	253,433,865
Timing of revenue recognition:					
- Over time	246,488,066	1,180,379	1,841,068	3,924,352	253,433,865
	246,488,066	1,180,379	1,841,068	3,924,352	253,433,865

(a) Revenue from operations and maintenance of solar energy system included an amount of RM599,839 for operations and maintenance services provided to new customers and existing customers outside the scope of promised maintenance services in their EPCC contracts with the Group.

(b) Others comprise of revenue recognised over time based on costs incurred to date as a proportion of the estimated total costs to be incurred on an electrical and fire protection installation works for a related party and third party.

26.2 Contract assets and contract liabilities

	Note	Group 2020 RM
Contract assets	(a)	22,355,805
Contract liabilities	(a)	17,282,976

26. REVENUE (CONT'D)

26.2 Contract assets and contract liabilities (Cont'd)

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at the reporting date for EPCC contracts of solar energy system. Contract assets are transferred to receivables when the rights become unconditional at the point of invoicing to customers.

Contract liabilities primarily relate to advance billings or payments received before work is performed and the Group's obligation to transfer services to customers for which the Group has allocated transaction price for service-type warranty to be provided to customers over several financial years. Contract liabilities are recognised as revenue as the Group perform under the contract.

(a) Significant changes in contract balances

	Group 2020 RM	
	Contract assets	**Contract liabilities**
	Increase/ (Decrease)	**Increase/ (Decrease)**
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	(7,266,912)
Increase due to progress billings but revenue not recognised	-	-
Increase due to unbilled revenue recognised during the year	21,729,630	-
Transfer from contract assets recognised at the beginning of the year to receivables	(15,950,391)	-
Impairment losses on contract assets	(69,600)	-

Movement of impairment loss on contract assets is as follows:

	Group 2020 RM
Balance as at 1 April 2019	-
Net impairment losses during the financial year	69,600
Balance as at 31 March 2020	69,600

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26. REVENUE (CONT'D)

26.2 Contract assets and contract liabilities (Cont'd)

(b) Transaction price allocated to remaining performance obligations

The Group expect to recognise revenue from contract liabilities for services-type warranty as follows:

	2021	2022	2023	2024	2025	More than 5 years	Total
	RM	RM	RM	RM	RM	RM	RM
2020							
Group	682,476	613,247	423,535	265,667	91,513	285,540	2,361,978

The Group applying the practical expedient have not disclosed an explanation of when advance billings and payments received from customers before work is performed is expected to be recognised as revenue as they are part of EPCC contracts that have original expected duration from start to end of one year or less.

27. OTHER INCOME

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Bad debts recovered	5,000	-	-
Commission received	1,103	-	-
Finance income:			
- Interest income on fixed deposits	399,210	107,706	-
- Interest income on trade receivables (Note 11)	32,161	-	-
- Unwinding discount on trade receivables (Note 11)	61,655	-	-
- Unwinding discount on other receivables (Note 13)	77,883	-	-
- Interest income on bank deposits	88,016	32,573	-
- Interest income on short term investment	107,184	107,184	-
Other income	37,742	-	-
Realised gain on foreign exchange	165,037	-	-
Rental income:			
- Investment property	69,000	-	-
- Hostel	4,500	-	-
- Motor vehicles	33,167	-	-
- Machineries	19,689	-	-
	1,101,347	247,463	-

NOTES TO THE FINANCIAL STATEMENTS
For the Financial Year Ended 31 March 2020
(cont'd)

28. FINANCE COSTS

	Group 2020 RM
Bank overdraft interest	174,948
Lease liabilities interest	241,836
Term loan interest	300,464
Trade facilities interest	
- Bankers acceptance interest	71,000
- Local bill purchase interest	78,971
- Letter of credit interest and commission	126,758
- Letter of guarantee interest and commission	63,071
Unwinding discount on redeemable preference shares	456,043
	1,513,091

29. PROFIT /(LOSS) BEFORE TAX

	Group	Company	
	2020 RM	2020 RM	2019 RM
Profit/(loss) before tax is arrived at after charging:			
Amortisation of intangible assets (Note 7)	132,842	-	-
Auditors' remuneration			
- Current year	167,000	15,000	3,000
- Underprovision in previous year	31,000	-	800
Bad debts written off	77,950	-	-
Depreciation of investment properties (Note 6)	19,463	-	-
Depreciation of property, plant and equipment (Note 5)	2,088,229	-	-
Incorporation fee	2,000	-	-
Listing expenses	1,901,556	1,901,556	942,401
Loss on disposal of property, plant and equipment	149	-	-
Loss on foreign exchange			
- realised	731,675	157	-
- unrealised	577,757	-	-
Net impairment losses on contract assets:			
- specific allowances (Note 26)	69,600	-	-
Net impairment losses on trade receivables:			
- lifetime ECL allowances (Note 11)	657,944	-	-
- specific allowances (Note 11)	931,685	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

29. PROFIT /(LOSS) BEFORE TAX (CONT'D)

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Profit/(loss) before tax is arrived at after charging: (Cont'd)			
Net impairment losses on other receivables	72,634	-	-
Provision for defect liabilities (Note 24)	437,000	-	-
Rental of: [1]			
- computer	11,934	-	-
- equipment	44,476	-	-
- hostel	278,753	-	-
- office	14,000	-	-
- others	265	-	-
Staff costs:			
- Salaries, wages, bonuses and allowance	9,384,029	-	-
- defined contribution plan	1,110,956	-	-
- social security contribution	115,777	-	-
- other employee benefits	740,482	-	-
Expenses recognised in cost of sales:			
Depreciation of property, plant and equipment (Note 5)	277,651	-	-
Provision for defect liabilities	437,000	-	-
Staff costs:			
- Salaries, wages, bonuses and allowance	3,234,704	-	-
- defined contribution plan	377,692	-	-
- social security contribution	47,348	-	-
- other employee benefits	194,419	-	-
Provision for slow moving inventories (Note 12)	158,635	-	-

[1] These amounts represent short-term leases and leases for low value underlying assets under MFRS 16.

30. TAXATION

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Income tax:			
Current year provision	1,132,072	59,391	-
Overprovision in prior year	(91,924)	-	-
Deferred tax: (Note 10)			
Origination and reversal of temporary differences	(587,018)	-	-
Underprovision in prior years	55,885	-	-
	509,015	59,391	-

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

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Profit/(loss) before tax	16,485,093	(2,446,253)	(997,571)
Malaysian statutory tax rate of 24% (2019: 24%)	3,956,422	(587,101)	(239,417)
Tax effect in respect of:			
Income exempted from taxation	(4,592,062)	-	-
Non-taxable income	(171,373)	-	-
Non-deductible expenses	1,247,219	646,492	239,417
Deferred tax asset unrecognised during the year	104,848	-	-
Overprovision of income tax in prior year	(91,924)	-	-
Underprovision of deferred tax in prior year	55,885	-	-
Taxation for the financial year	509,015	59,391	-

Deferred tax assets are recognised for all deductible temporary differences available for offsetting against probable future taxable profit. As at 31 March 2020, the amount of unutilised tax losses for which no deferred tax asset have been recognised in the financial statements because there is uncertainty as to when the companies that have recent history of losses will be profitable, are as follows: (stated at gross)

	Group
	2020
	RM
Unrecognised deferred tax asset:	
Unutilised tax losses	436,866

NOTES TO THE FINANCIAL STATEMENTS

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30. TAXATION (CONT'D)

(i) A subsidiary of the Company, Atlantic Blue was granted pioneer status by Malaysian Investment Development Authority ("MIDA") for electricity generation by way of solar energy effective from 1 January 2015 to 31 December 2019. Under the pioneer status, the profit derived from that activity is exempted from tax. On 23 September 2019, MIDA has approved the renewal and extension of second 5-years pioneer status commenced from 1 January 2020 to 31 December 2024.

(ii) Subsidiaries of the Company, Powertrack, Solarvest Energy and Solarvest SR were granted full tax exemption on statutory income derived from services rendered in connection with renewable energy by MIDA beginning from year of assessment 2016 to 2020, 2017 to 2020 and 2019 to 2020 respectively.

31. CASH AND CASH EQUIVALENTS

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Cash and bank balances	25,962,589	1,833,234	10
Sinking fund account	1,500,000	-	-
Fixed deposits with financial institutions	23,391,979	13,108,706	-
	50,854,568	14,941,940	10
Less: Fixed deposit pledged to bank	(10,283,274)	-	-
Less: Sinking fund account	(1,500,000)	-	-
Less: Bank overdraft	(5,098,376)	-	-
Add: Short term investments	10,102,689	10,102,689	-
	44,075,607	25,044,629	10

(a) Sinking fund account

Cash at bank in the Group as at year end includes an amount of RM1,500,000 consisting of a percentage of proceeds from previous EPCC contracts as security for borrowings disclosed in Note 19 to the financial statements.

The currency exposure profile of cash and bank balances are as follows:

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Ringgit Malaysia	50,714,818	14,941,940	10
New Taiwan Dollar	139,750	-	-
	50,854,568	14,941,940	10

32. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to transactions and balances detailed elsewhere in the financial statements, the Group had the following transactions with related parties during the financial year:

	Group 2020 RM
Companies in which certain Directors of the Group have financial interest :	
Trade transactions	
Sales	1,923,205
Purchase	16,486
Non-trade transactions	
Sales of forklift	1,600
Payment on behalf	47,400
Companies in which close family member of certain Directors of the Group have financial interest :	
Trade transactions	
Sales	232
Rental income	9,000
Non-trade transactions	
Payment on behalf	347

(b) Key management personnel compensation

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any Director (whether executive or otherwise) of the Group and of the Company.

The total compensation of the Group's and of the Company's Directors and other key management personnel are as follows:

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Executive Directors:-			
Directors' compensation:			
Salaries and bonus received	1,316,000	-	-
Defined contribution plan	157,920	-	-
Social security contribution	2,770	-	-
Benefits-in-kind	36,438	-	-
	1,513,128	-	-

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

32. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel compensation (Cont'd)

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Non-executive Directors:-			
Directors' compensation:			
Directors' fees	171,000	171,000	-
Other benefits	6,000	6,000	-
	177,000	177,000	-

33. EARNINGS PER SHARE

The basic earnings per share ("EPS") has been calculated by dividing the Group's net profit for the financial years attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial years:-

	Group
	2020
	RM
Net profit attributable to owners of the Company	15,665,274
Weighted average number of ordinary shares in issue	249,307,490
Basic earnings per share (sen)	6.28

Diluted earnings per share is not applicable as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basis earnings per share.

34. FINANCIAL INSTRUMENTS

34.1 Classification of financial instruments

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

The table below provides an analysis of financial instruments of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned and therefore by the measurement basis, as follows:

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Financial assets			
Fair value through profit or loss			
Short term investment	10,102,689	10,102,689	-
Financial assets at amortised cost			
Trade receivables	25,864,819	-	-
Other receivables and deposits	1,427,160	31,500	166,732
Contract assets	22,355,805	-	-
Amount owing by subsidiary	-	3,000,000	-
Fixed deposits with financial institutions	23,391,979	13,108,706	-
Cash and bank balances	27,462,589	1,833,234	10
	100,502,352	17,973,440	166,742
Financial liabilities			
Financial liabilities at amortised cost			
Trade payables	39,735,127	-	-
Other payables and accruals	2,882,530	46,674	1,186,387
Amount owing to subsidiaries	-	38,030	-
Borrowings	10,855,878	-	-
Redeemable preference shares	5,011,457	-	-
Lease liabilities	4,439,025	-	-
	62,924,017	84,704	1,186,387

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For the Financial Year Ended 31 March 2020
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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Board of Directors review and agree policies and procedures for the management of these risks, which are executed by the Group's Finance Director and Managing Director. The Group's and the Company's financial risk management policies are to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing their currency risk, interest rate risk, credit risk and liquidity risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board of Directors.

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

(i) Currency risk

The Group are exposed to currency risks as a result of its normal trading activities with foreign companies, denominated mainly in United States Dollar ("USD") and New Taiwan Dollar ("TWD").

The Group's exposure to foreign currency at reporting date is as follows:

	USD	TWD
	RM	RM
Group		
As at 31 March 2020		
Other receivables	1,777	-
Cash and bank balances	-	139,750
Trade payables	(14,866,098)	-
Net exposure	(14,864,321)	139,750

<u>Currency risk sensitivity analysis</u>

The following table details the sensitivity analysis for a reasonably possible change in foreign currencies as at the end of the reporting period, with all other variables held constant. The analysis assumes all the variables in particular, interest rates remained constant and ignores impact of forecasted sales and purchases.

	2020 Increase/ (decrease)
	RM
Group	
Effects on profit after tax	
USD	
- strengthen by 10%	(1,129,688)
- weaken by 10%	1,129,688
TWD	
- strengthen by 10%	10,621
- weaken by 10%	(10,621)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk

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

The Group's exposure to interest rate risk arises primarily from their floating rate bank borrowings. Long-term trade receivables are charged a fixed rate and are not exposed to interest rate risk. Short-term receivables, intercompany advances, deposits and payables are not significantly exposed to interest rate risk.

The interest rate profile of the Group's significant interest bearing financial instruments, based on the carrying amounts as at the end of the financial year was:

	Group 2020 RM
Fixed rate instruments	
Financial assets	
Deposits placed with licensed banks	23,391,979
Financial liabilities	
Finance lease liabilities	(4,439,025)
Bank borrowings	(2,207,470)
	16,745,484
Floating rate instruments	
Financial liabilities	
Bank borrowings	(8,648,408)

<u>Interest rate risk sensitivity analysis</u>

Sensitivity analysis is not disclosed for fixed rate instruments as fixed rate instruments are not exposed to interest rate risk and are measured at amortised cost.

The following table details the sensitivity analysis for a reasonably possible change in the interest rates as the end of the reporting period, with all other variables held constant on bank borrowings of the Group:

	Group 2020 RM
Effects on profit after taxation:	
Increase by 100 basis point	(65,728)
Decrease by 100 basis point	65,728

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(cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables, contract customers, fixed deposits with financial institutions for facilities granted to the Group and bank balances. The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

(a) Trade receivables

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms be subject to credit verification procedures.

Exposure to credit risk, credit quality and collateral

Trade receivable balances are monitored on an ongoing basis. As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of trade receivables as at the end of the reporting period.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring its trade receivables individually on an ongoing basis. At the end of the reporting period, approximately average of 48% of the Group's trade receivables were due from 5 major customers.

Ageing analysis of trade receivables and impairment losses

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

	Gross amount RM	Impairment losses RM	Carrying amount RM
Group			
At 31 March 2020			
Not past due	10,014,576	(75,762)	9,938,814
Past due			
- less than 30 days	9,129,862	(6,881)	9,122,981
- 31 to 60 days	2,224,855	(48)	2,224,807
- over 60 days	5,937,067	(1,358,850)	4,578,217
	17,291,784	(1,365,779)	15,926,005
	27,306,360	(1,441,541)	25,864,819
Retention sum receivables	10,100,144	(759,712)	9,340,432
	37,406,504	(2,201,253)	35,205,251

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (Cont'd)

(a) Trade receivables (Cont'd)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and trade receivables on deferred payment terms that are making payment according to agreed schedule.

Receivables that are past due but not impaired

The Group believe that no impairment is necessary in respect of these trade receivables which are past due but not impaired as they are substantially entities with good collection track record and no recent history of default.

The Group categorise a loan or receivable as impaired when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continue to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about ageing analysis and amounts arising from expected credit losses for trade receivables.

The Group provide for lifetime expected credit losses for all trade receivables. The expected credit losses below incorporate forward looking information such as forecast of economic conditions where the gross domestic product is expected to deteriorate over the next year, leading to increase in the number of defaults. The loss allowance provision as at the end of each reporting period is determined as follows:

Group	**Current**	**30 days past due**	**60 days past due**	**More than 60 days past due**	**Total**
2020					
Expected loss rate (%)	1.11	0.08	-*	0.73 - 26.09	
Gross carrying amount (RM)	19,494,920	9,129,862	2,224,855	5,030,278	
Loss allowance provision (RM)	215,674	6,881	48	452,059	674,662
Impaired receivables (RM)	619,800	-	-	906,791	1,526,591
Total impaired (RM)					2,201,253

* *Less than 0.01%*

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(cont'd)

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (Cont'd)

(b) Other receivables

Exposure to credit risk, credit quality and collateral

Other receivable balances are monitored on an ongoing basis.

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of other receivables as at the end of the reporting period.

Ageing analysis of other receivables and impairment losses

The Group and the Company does not maintain ageing analysis for other receivables. Based on past experience, the Directors determine whether impairment is necessary in respect of other receivables.

During the financial year, the Group made an impairment losses on other receivables for RM72,634.

Receivables that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company and other receivables on deferred payment terms that are making payment according to agreed schedule.

Receivables that are past due but not impaired

The Group and the Company believes that no impairment allowance is necessary in respect of these other receivables which are past due but not impaired as they are substantially entities with good collection track record and no recent history of default.

(c) Cash and cash equivalents

Cash and cash equivalents are held with licensed financial institutions. The Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk, credit quality and collateral

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meets its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of cash and bank balances in the statement of financial position.

Impairment losses

The bank has low credit risk and the Group's and the Company's bank balance is protected to an extent by Perbadanan Insurans Deposit Malaysia. Consequently, the Group and the Company is of the view that loss allowance is not material and hence it is not provided for.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (Cont'd)

(d) Contract assets

The Group applies the simplified approach under MFRS 9 to measure ECL, which uses a lifetime ECL allowance for contract assets. To measure the expected losses, contract assets have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced during these periods.

During the year, the Group made an impairment losses on contract asset for RM69,600. The remaining amount in which no ECL allowance was recognised is deemed to be recoverable, with low probability of default.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for contract assets.

(e) Intercompany advances

The Company provides unsecured advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

<u>Exposure to credit risk, credit quality and collateral</u>

As at the end of the reporting period, there was no indication that the advances to the subsidiaries are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiaries. These advances are repayable on demand in cash and cash equivalents.

(iv) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The exposure of the Group and the Company to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility of cash flow through the use of stand-by credit facilities.

The Group and the Company maintain a level of cash and cash equivalents and bank overdraft facilities deemed adequate by management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount	Undiscounted contractual cash flows	On demand or within one year	Two to five years	More than five years
	RM	RM	RM	RM	RM
Financial liabilities:					
2020					
Trade payables	39,735,127	39,735,127	39,735,127	-	-
Other payables and accruals	2,882,530	2,882,530	2,882,530	-	-
Redeemable preference shares	5,011,457	7,200,000	-	7,200,000	-
Lease liabilities	4,439,025	5,933,447	1,440,058	2,043,389	2,450,000
Bank borrowings	10,855,878	11,835,011	7,753,098	1,759,920	2,321,993
	62,924,017	67,586,115	51,810,813	11,003,309	4,771,993
Company					
Financial liabilities:					
2020					
Other payables and accruals	46,674	46,674	46,674	-	-
Amount owing to subsidiaries	38,030	38,030	38,030	-	-
	84,704	84,704	84,704	-	-
Financial liabilities:					
2019					
Other payables and accruals	1,186,387	1,186,387	1,186,387	-	-

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

(i) Financial instruments not carried at fair value

Financial assets and financial liabilities not carried at fair value are disclosed in Note 34.1. These financial instruments are carried at the amounts approximate of their fair values on the statements of financial position of the Group and of the Company due to the relatively short term maturity of these financial instruments and the Group and the Company do not anticipate the carrying amounts recorded at the reporting date to be significantly different from the values that would eventually be received or settled.

As at the end of each financial year, the carrying amounts of floating rate term loans approximate their fair values as their effective interest rates change accordingly to movements in the market interest rates.

36. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(ii) Financial instruments carried at fair value

Financial assets carried at fair value are disclosed in Note 34.1. The fair value of money market fund and cash fund investments is a Level 2 fair value derived from input other than quoted prices included within Level 1 that are directly observable. There was no material transfer between Level 1, 2 and 3 during the financial year.

37. CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the financial year.

	Group	Company	
	2020	2020	2019
	RM	RM	RM
Total borrowings	20,306,360	-	-
Total equity	80,849,708	56,316,694	(1,019,645)
Gearing ratio (times)	0.25	-	-

38. SEGMENT REPORTING

Operating segments are prepared in a manner consistent with the internal reporting provided to Managing Director as its chief operating decision maker in order to allocate resources to segments and to assess its performance on a quarterly basis. For management purposes, the Group is organised into business units based on its products and services provided.

The Group is organised into 3 main reportable segments as follows:

(a) EPCC of solar energy system ("EPCC")

Turnkey EPCC services in solar energy solution to customers in in three categories: residential, commercial and industrial (roof-top projects) and large scale solar energy producers.

(b) O&M of solar energy system ("O&M")

Warranty of between 2 and 5 years to customer for workmanship defects, performance monitoring and on-site support and repair to ensure optimal operation of solar energy system installation.

(c) Sale of electricity through solar energy generation ("Sale of electricity")

Sale of electricity generated through its self-constructed solar plant to electric utility company, Tenaga Nasional Berhad under a 21-year renewable energy power purchase agreement.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly administrative expenses, finance costs, other receivables, tax recoverable/liabilities, fixed deposits with financial institutions, cash and bank balances.

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38. SEGMENT REPORTING (CONT'D)

38.1 Business segments

	Investment holding	EPCC of solar energy solution	Operations and maintenance of solar energy system	Sale of electricity through solar energy generation	Others	Total
	RM	RM	RM	RM	RM	RM
Group and Company						
2020						
Revenue						
Total revenue	-	265,494,955	1,486,823	1,841,068	3,924,352	272,747,198
Inter-segment revenue	-	(19,006,889)	(306,444)	-	-	(19,313,333)
External revenue	-	246,488,066	1,180,379	1,841,068	3,924,352	253,433,865
Results						
Segment (loss)/profit before interest and tax	(2,693,716)	17,683,765	809,991	1,277,339	154,696	17,232,075
Finance income						766,109
Finance costs						(1,513,091)
Profit before tax						16,485,093
Income tax expense						(509,015)
Net profit for the financial year						15,976,078

38. SEGMENT REPORTING (CONT'D)

38.1 Business segments (Cont'd)

	Investment holding	EPCC of solar energy solution	Operations and maintenance of solar energy system	Sale of electricity through solar energy generation	Others	Total
	RM	RM	RM	RM	RM	RM
Group and Company						
2020						
Other information						
Segment (loss)/profit before tax includes the following:						
Finance income	247,463	518,646	-	-	-	766,109
Bad debts written off	-	(72,950)	-	-	-	(72,950)
Depreciation and amortisation	-	(1,938,451)	(5,064)	(297,019)	-	(2,240,534)
Finance costs	-	(1,266,174)	-	(246,917)	-	(1,513,091)
Provision for defect liabilities	-	(437,000)	-	-	-	(437,000)
Realised and unrealised losses on foreign exchange, net	-	(1,144,395)	-	-	-	(1,144,395)
Rental expenses	-	(349,428)	-	-	-	(349,428)
Loss on disposal of property, plant and equipment	-	(149)	-	-	-	(149)
Impairment loss on financial assets	-	(1,731,863)	-	-	-	(1,731,863)
Reversal of intangible assets	-	(40,545)	-	-	-	(40,545)
Provision for slow moving inventories	-	(158,635)	-	-	-	(158,635)

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

38. SEGMENT REPORTING (CONT'D)

38.1 Business segments (Cont'd)

	Investment holding	EPCC of solar energy solution	Operations and maintenance of solar energy system	Sale of electricity through solar energy generation	Others	Total
	RM	RM	RM	RM	RM	RM
Group and Company						
2020						
Assets/Liabilities						
Additions to non-current assets [1]	-	1,475,788	5,550	-	-	1,481,338
Segment assets	25,172,189	134,529,813	52,302	5,822,550	369,307	165,946,161
Unallocated corporate assets [2]						668,303
Total assets						166,614,464
Segment liabilities	79,065	80,451,880	2,738,260	1,991,114	-	85,260,319
Unallocated corporate liabilities [2]						140,081
Total liabilities						85,400,400

[1] *Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.*

[2] *Unallocated assets and liabilities consist of deferred tax assets and income tax payable.*

38. SEGMENT REPORTING (CONT'D)

38.2 Major customers

Revenue from external customers which individually contributed 10% or more to the total revenue recognised of the Group is as follows:

	Group
	2020
	RM
Customer A	145,147,757

38.3 Geographical segments

Geographical information is not presented as the Group operates primarily in Malaysia.

39. COMPARATIVE INFORMATION

No comparative information has been presented for the Group as this is the Group's first set of financial statements.

40. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 10 July 2019, Solarvest Energy (a wholly owned subsidiary of the Company) had entered into a consortium agreement with Petronas Power Sdn. Bhd. ("Petronas Power"), a wholly owned subsidiary of Petroliam Nasional Berhad and Nefinco (Malaysia) Sdn. Bhd. ("Nefinco"), a subsidiary of New Energy Financing and Consulting Limited to undertake the construction, operation and maintenance of a solar photovoltaic power generation system for 10 identified stores of Tesco Stores (Malaysia) Sdn. Bhd. ("Tesco") ("the Project") ("Consortium Agreement").

Prior to the Consortium Agreement, the Company, Petronas Power and Nefinco ("the Parties") had on 31 January 2019 executed a joint bidding agreement and submitted a letter of intent to Tesco to participate in the bidding process as a consortium. Tesco awarded the Project to the Parties via a conditional letter of award dated 14 May 2019.

Pursuant to the Consortium Agreement, the Parties have incorporated a company named NE Suria Satu Sdn. Bhd. ("NE Suria") on 11 July 2019 to manage and implement the Project. NE Suria issued and allotted 10,000 ordinary shares of RM1 each to Petronas Power (80%), Nefin Energy (Malaysia) Sdn. Bhd. (18%) and the Company (2%). NE Suria will enter into and execute the power purchase agreement (and other related agreements if necessary) with Tesco for the delivery of the Project.

(b) On 15 July 2019, pursuant to the share sale agreement between the Company and Atlantic Blue's Vendors, the Company issued and allotted 291,795,555 new ordinary shares at RM0.09 each to Atlantic Blue's Vendors to acquire the entire equity interest in Atlantic Blue.

(c) On 21 November 2019, the Company issued and allotted 98,828,000 new ordinary shares at an issue price of RM0.35 each for a total cash consideration of RM34,589,800 for cash pursuant to its Initial Public Offering exercise.

(d) On 26 November 2019, the entire issued share capital of the Company were listed on the ACE Market of Bursa Malaysia Securities Berhad.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2020
(cont'd)

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

(e) On 11 March 2020, the World Health Organisation ("WHO") has declared the outbreak of Covid-19 to be a global pandemic. In Malaysia, to contain the spread of Covid-19, the Movement Control Order ("MCO") had been imposed from 18 March 2020 to 1 May 2020 and further extended through a conditional MCO till 9 June 2020. The conditional MCO is replaced by recovery MCO from 10 June 2020 to 31 August 2020. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and activities at the business location. The Malaysian Government has relaxed the MCO on the food industry as this industry provides essential services to the country. With this decision, the Group's operations are able to operate subject to certain operating conditions since end of April 2020.

At the reporting date, the Group has taken the appropriate steps to re-assess their customers' credit risks and tighten the credit controls in order to mitigate any risk of non-collection due from the Covid-19 outbreak. Expected credit losses on receivables were recognised as at 31 March 2020 due to a foreseeable decline in the repayment ability of certain receivables.

Directors are cognizant of the challenges posed by these events and the potential impact they have on the Group's financial position, financial performance and cash flows subsequent to the reporting period. As the situation continues to evolve with significant level of uncertainty, the Group is unable to reasonably estimate the full financial impact of the Covid-19 outbreak. The Group is monitoring the situation closely and to mitigate the financial impact. The Group is conscientiously managing its cost by adopting an operating cost reduction strategy and conserving liquidity by working with major suppliers to align repayment obligations with receivables' collections.

41. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

(a) On 23 April 2020, Solarvest Energy (a wholly owned subsidiary of the Company) had entered into an Engineering, Procurement, Construction, Installation, Testing and Commissioning Agreement with NE Suria Satu Sdn. Bhd. for the provision of engineering, procurement, construction, installation, testing and commissioning of the solar photovoltaic power generation system for fifteen (15) identified stores of a hypermarket chain in Malaysia. The contract price of the project is valued at RM29.2 million and is payable in accordance with the progress payment schedule based on the completion milestone of the Project.

(b) On 1 July 2020, the Consortium of Atlantic Blue Sdn. Bhd. and Global Facilities Management Sdn. Bhd. ("the Consortium") had entered into an Engineering, Procurement, Construction and Commissioning Contract with Go Energy Sdn. Bhd. (formerly known as Talent Cloud Sdn. Bhd.) for the provision of engineering, procurement, construction and commissioning for the development and operation of the solar photovoltaics system and all associated infrastructure at six (6) Universiti Teknologi MARA ("UiTM") campuses ("UiTM Campuses"). The contract price for the Project is RM30.0 million.

ANALYSIS OF SHAREHOLDINGS

SHARE CAPITAL

Total Number of Issued Shares	:	390,623,655
Issued Share Capital	:	RM 59,841,993
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per one (1) ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JULY 2020

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Share Held	% of Shares
1 – 99	5	0.12	157	0.00
100 – 1,000	1,016	23.79	565,200	0.15
1,001 – 10,000	2,300	53.86	11,334,803	2.90
10,001 – 100,000	828	19.39	25,789,300	6.60
100,001 to 19,531,181 (*)	119	2.79	101,138,540	25.89
19,531,182 and above (**)	2	0.05	251,795,665	64.46
	4,270	100.00	390,623,655	100.00

Remarks:

* *Less than 5% of issued shares.*
** *5% and above of issued shares.*

SUBSTANTIAL SHAREHOLDERS AS AT 30 JULY 2020
(Based on the Register of Substantial Shareholders)

		Number of Ordinary Shares Held			
		Direct	%	Indirect	%
1	Atlantic Blue Holdings Sdn. Bhd.	150,487,655	38.52	-	-
2	Chin Hin Group Berhad	106,308,000	27.21	-	-
3	Lim Chin Siu	5,000,000	1.28	150,487,655(1)	38.52
4	Tan Chyi Boon	5,000,000	1.28	150,487,655(1)	38.52
5	Divine Inventions Sdn. Bhd.	-	-	106,308,000(2)	27.21
6	PP Chin Hin Realty Sdn. Bhd.	-	-	106,308,000(3)	27.21
7	Datuk Seri Chiau Beng Teik	-	-	106,308,000(4)	27.21
8	Datin Seri Wong Mee Leng	-	-	106,308,000(4)	27.21
9	Chiau Haw Choon	-	-	106,308,000(4)	27.21

Notes:

(1) *Deemed interest by virture of his interest in Atlantic Blue Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*
(2) *Deemed interest by virture of its interest in Chin Hin Group Berhad pursuant to Section 8 of the Companies Act 2016.*
(3) *Deemed interest by virture of its interest in Divine Inventions Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*
(4) *Deemed interest by virture of his/her interest in PP Chin Hin Realty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.*

ANALYSIS OF SHAREHOLDINGS
(cont'd)

DIRECTORS' INTERESTS IN SHARES AS AT 30 JULY 2020
(Based on the Register of Directors' Shareholdings)

		Direct	%	Indirect	%
1	Dato' Che Halin Bin Mohd Hashim	100,000	0.03	-	-
2	Lim Chin Siu	5,000,000	1.28	150,487,655*	38.52
3	Tan Chyi Boon	5,000,000	1.28	150,487,655*	38.52
4	Chiau Haw Choon	-	-	106,308,000#	27.21
5	Fong Shin Ni	30,000	0.01	-	-
6	Gan Teck Hooi	-	-	-	-

Notes:

(*) Deemed interest by virtue of his direct interest in Atlantic Blue Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

(#) Deemed interest by virtue of his interest in PP Chin Hin Realty Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

CHIEF EXECUTIVE'S INTERESTS IN SHARES AS AT 30 JULY 2020

		Direct	%	Indirect	%
1	Chong Chun Shiong	-	-	-	-

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 JULY 2020

		No. of shares	% of shares
1	ATLANTIC BLUE HOLDINGS SDN BHD	145,487,655	37.24
2	CHIN HIN GROUP BERHAD	106,308,000	27.21
3	CARTABAN NOMINEES (ASING) SDN BHD STATE STREET AUSTRALIA FUND OD51 FOR FSS TRUSTEE CORPORATION	5,417,741	1.39
4	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMBANK (M) BERHAD FOR CHIAU BENG TEIK (SMART)	5,000,000	1.28
5	LIM CHIN SIU	5,000,000	1.28
6	M & A NOMINEE (TEMPATAN) SDN BHD MAJESTIC SALUTE SDN BHD FOR ATLANTIC BLUE HOLDINGS SDN BHD	5,000,000	1.28
7	TAN CHYI BOON	5,000,000	1.28
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	4,305,600	1.10
9	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	3,500,000	0.90
10	HSBC NOMINEES (ASING) SDN BHD TNTC FOR EAM EMERGING MARKETS SMALL CAP FUND, LP	3,433,433	0.88

ANALYSIS OF SHAREHOLDINGS
(cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 JULY 2020 (CONT'D)

		No. of shares	% of shares
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	3,085,800	0.79
12	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	2,992,200	0.77
13	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	2,548,200	0.65
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR CIMB-PRINCIPAL SMALL CAP FUND (240218)	2,532,600	0.65
15	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND 59HL FOR OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM	2,332,566	0.60
16	CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL MALAYSIA TITANS FUND	2,308,900	0.59
17	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD TA DYNAMIC ABSOLUTE MANDATE	1,925,000	0.49
18	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL ISLAMIC MALAYSIA OPPORTUNITIES FUND	1,871,600	0.48
19	AMANAHRAYA TRUSTEES BERHAD AC PRINCIPAL ISLAMIC ENHANCED OPPORTUNITIES FUND	1,785,500	0.46
20	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	1,648,600	0.42
21	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	1,578,300	0.40
22	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL MALAYSIA TITANS PLUS FUND	1,516,100	0.39
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG (7001511)	1,407,000	0.36
24	LIEW FOO HEEN	1,377,900	0.35
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR PRINCIPAL ISLAMIC LIFETIME BALANCED GROWTH FUND (230122)	1,241,400	0.32
26	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	1,234,800	0.32
27	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAH SENG (PNG)	1,193,500	0.31
28	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR FORTRESS CAPITAL ASSET MANAGEMENT (M) SDN BHD	1,150,600	0.29
29	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE KUAN (MY3341)	1,100,000	0.28
30	CHIA HIANG NOOI	1,000,000	0.26
	Total	**324,282,995**	**83.02**

LIST OF PROPERTIES

No.	Title No.	Description	Audited Net Book Value as at 31 March 2020 (RM)
1.	GM 799 (Lot 4166), GM 800 (Lot 4167), Mukim Derga, Daerah Kota Setar, Kedah. GM 5979 (Lot 4168), GM 22573 (Lot 4169), H.S.(M) 17440 (PT 4685), Bandar Alor Setar, Daerah Kota Setar, Kedah.	Property Address: 4166-4170, Jalan Ganding 2, Taman Ganding, Jalan Langgar, 05460 Alor Setar, Kedah. Tenure: Freehold Description of property/Existing use: 5 units of 3-storey shop office/ Branch office and warehouse Category of land use/ Land area/ Built-up area: Building/ 1302 sq. metre/ 3906 sq. metre (for each unit) Revaluation Date: 8/9/2016 Approximate Age of Building: 6 years	2,753,724
2.	H.S.(D) 19110, Lot 992, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang.	Property Address: 26, Jalan Kikik, Taman Inderawasih, 13600 Prai, Pulau Pinang. Tenure: Freehold Description of property/Existing use: Intermediate 1½ - storey light-industrial terrace factory/ Branch office and warehouse Category of land use/ Land area/ Built-up area: Industrial/ 3186 sq. metre/ 4056 sq. metre Revaluation Date: 12/8/2015 Approximate Age of Building: 26 years	1,510,228
3.	PN 50495/M1-A/7/36, Lot 103 Seksyen 36, Bandar Petaling Jaya, Daerah Petaling, Selangor.	Property Address: A-30-05, 3 Two Square, Jalan 19/1, 46300 Petaling Jaya, Selangor Tenure: Leasehold of 99 years expiring on 6 September 2106 (86 remaining years) Description of property/Existing use: 5th floor office unit located in a 6-storey office building/ Office Category of land use/ Land area/ Built-up area: Building/ Not applicable/ 1948 sq. metre Acquisition Date: 14/11/2014 Approximate Age of Building: 13 years	867,729

NOTICE OF THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Third Annual General Meeting ("**3rd AGM**") of Solarvest Holdings Berhad ("**the Company**") will be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suites, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on Monday, 28 September 2020 at 10:00 a.m. for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1]***

2. To approve the payment of Director's fees amounting to RM21,000.00 and Director's benefits of RM1,500.00 payable to Mr. Gan Teck Hooi, being the Independent Non-Executive Director of the Company for the period from 24 February 2020 to 28 September 2020. ***[Please refer to Explanatory Note 2]*** ***[Ordinary Resolution 1]***

3. To approve the payment of Directors' fees for an amount of up to RM264,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 September 2020 until the next Annual General Meeting of the Company. ***[Please refer to Explanatory Note 3]*** ***[Ordinary Resolution 2]***

4. To approve the Directors' benefits for an amount of up to RM20,000.00 payable to the Non-Executive Directors of the Company for the period from 29 September 2020 until the next Annual General Meeting of the Company. ***[Please refer to Explanatory Note 3]*** ***[Ordinary Resolution 3]***

5. To re-elect the following Directors who retire pursuant to Clause 83 of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (i) Dato' Che Halin Bin Mohd Hashim; and ***[Ordinary Resolution 4]***
   (ii) Ms. Fong Shin Ni. ***[Ordinary Resolution 5]***

6. To re-elect Mr. Gan Teck Hooi, the Director who retires pursuant to Clause 90 of the Company's Constitution and being eligible, has offered himself for re-election. ***[Ordinary Resolution 6]***

7. To re-appoint Messrs. Ecovis Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. ***[Ordinary Resolution 7]***

AS SPECIAL BUSINESS

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

8. **ORDINARY RESOLUTION**
   - **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** ***[Please refer to Explanatory Note 4]***

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

*"**THAT** subject always to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company at any time to such persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this resolution must not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) for the time being; **AND THAT** the Directors be and are hereby also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."* ***[Ordinary Resolution 8]***

9. **SPECIAL RESOLUTION** ***[Please refer to***
- PROPOSED AMENDMENTS TO THE COMPANY'S CONSTITUTION ***Explanatory Note 5]***

"**THAT** the proposed amendments to the Company's Constitution as set out below, be and are hereby approved and adopted; **AND THAT** the Directors and/or Secretaries of the Company be authorised to take all steps as are necessary and expedient in order to implement, finalise and give full effect to the aforesaid proposed amendments to the Company's Constitution, for and on behalf of the Company:-

Clause No.	Existing Clause	Clause No.	Proposed Clause
58	General meetings Meetings of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time, date and place as the Directors shall determine.	58	General meetings Meetings of the Company shall be held in accordance with the provisions of the Act. All general meetings other than the annual general meetings shall be called extraordinary general meetings. All general meetings shall be held at such time, date and place as the Directors shall determine. **The Company may hold general meetings by way of physical or fully virtual or hybrid general meetings at more than one (1) venue using any technology or method that enables the Members to participate and to exercise the Members' rights to speak and vote at the meeting. The main venue of all general meetings shall be in Malaysia and at such place as the Board of Directors shall determine. The chairperson of the meeting shall be present at the main venue of the meeting. For fully virtual general meeting, the broadcast venue shall be main venue of the meeting and all the provisions of this Constitution as to the general meetings shall also apply to such fully virtual general meeting.**

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
65	<u>Quorum</u> No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) Members present in person or by proxy shall be a quorum. For the purposes of this Constitution, "Member" includes a person attending as a proxy or representing a corporation which is a Member.	65	<u>Quorum</u> No business shall be transacted at any general meeting unless a quorum of Members is present at the time when the meeting proceeds to business. Save as herein otherwise provided, two (2) Members **personally or electronically** present in person or by proxy shall be a quorum. For the purposes of this Constitution, "Member" includes a person attending as a proxy or representing a corporation which is a Member.
78	<u>Form of proxy</u> The instrument appointing a proxy shall be in the following form or such other form as the Directors may from time to time prescribe or approve subject to such variations as circumstance or as the Act or other statutes may require:- *SOLARVEST HOLDINGS BERHAD (1247778-U)* *I/We*, …………….. of …………….. being a member of the above-named Company, hereby appoint …………….. of …………….. or failing whom, …………….. of …………….. as my/our* proxy to vote for me/us and on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the company, to be held at …………….. (place of meeting) on the ……… day of ………. (time of meeting), and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat.* *Signed this ……. day of ……….* …………………………… *Signature(s) of Member(s)* **Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit.)*	78	<u>Form of proxy</u> **The instrument appointing a proxy shall, subject always to the applicable laws or other statute, be in such form (including the electronic proxy appointment and voting manner) as the Directors may from time to time prescribe or approve.** ~~The instrument appointing a proxy shall be in the following form or such other form as the Directors may from time to time prescribe or approve subject to such variations as circumstance or as the Act or other statutes may require :-~~ ~~*SOLARVEST HOLDINGS BERHAD (1247778-U)]*~~ ~~*I/We*, …………….. of …………….. being a member of the above-named Company, hereby appoint …………….. of …………….. or failing whom, …………….. of …………….. as my/our* proxy to vote for me/us and on my/our behalf at the (annual or extraordinary, as the case may be) general meeting of the company, to be held at …………….. (place of meeting) on the ……… day of ………. (time of meeting), and, at every adjournment thereof for/against* the resolution(s) to be proposed thereat.*~~ ~~*Signed this ……. day of ……….*~~ ~~……………………………~~ ~~*Signature(s) of Member(s)*~~ ~~**Strike out whichever is not desired. (Unless otherwise instructed, the proxy may vote as he thinks fit.)*~~

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
79	Instrument appointing proxy to be deposited at the registered office of the Company The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the Member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that Member, shall be deposited at the registered office of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll and in default the instrument of proxy shall not be treated as valid.	79	Instrument appointing proxy to be deposited at the registered office of the Company **(a) Subject to the Act and the Listing Requirements, the Directors or any agent of the Company so authorised by the Directors, may accept the appointment of proxy received via electronic means on such terms and subject to such conditions as they consider fit. For the purpose of this Clause, the Directors may require such reasonable evidence that they consider necessary to determine and verify:** **(i) the identity of the Member and the proxy; and** **(ii) where the proxy if appointed by a person acting on behalf of the Member, the authority of that person to make the appointment.** **(b) Without prejudice to Clause 79(a), the appointment of a proxy via electronic means must be received at the electronic address specified by the Company in any of the following sources and shall be subject to any terms, conditions or limitations specified therein:** **(i) The notice calling the meeting; or** **(ii) The instrument of proxy sent out by the Company in relation to the meeting; or** **(iii) The website maintained by or on behalf of the Company.**

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

Clause No.	Existing Clause	Clause No.	Proposed Clause
			(c) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a copy of that power or authority, certified by an advocate and solicitor or where the Member is a body corporate, the copy of the power or authority may also be certified by an authorised officer of that Member, shall be deposited at the registered office of the Company or at such other place**, or in the case of the appointment of a proxy via electronic means, at the electronic address specified by the Company pursuant to Clause 79(b)** ~~as is specified for that purpose in the notice convening the meeting~~, not less than forty eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote**,** ~~or in the case of a poll, not less than twenty four (24) hours before the time appointed for the taking of the poll~~ and in default the instrument of proxy shall not be treated as valid."

[Special Resolution]

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

By Order Of The Board

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)
NG SHU FERN (SSM PC No. 201908001840) (MAICSA 7062881)
Company Secretaries

Kuala Lumpur
Dated: 28 August 2020

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

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

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

2. **Item 2 of the Agenda**

The proposed Ordinary Resolution 1 is to seek shareholders' approval for the payment of the Director's fee and benefit to Mr. Gan Teck Hooi who was appointed as the Independent Non-Executive Director of the Company on 24 February 2020. The proposed Director's fee and benefit are accruals for the services rendered by Mr. Gan for the period from 24 February 2020 and up to the date of this AGM.

3. **Items 3 and 4 of the Agenda**

Section 230(1) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company is seeking the shareholders' approval for the payment of Directors' fees and benefits for an amount of up to RM264,000.00 and RM20,000.00 respectively, payable to the Non-Executive Directors of the Company for the period from 29 September 2020 until the next Annual General Meeting of the Company under Ordinary Resolutions 2 and 3. The estimated Directors' fees and benefits proposed for the period from 29 September 2020 until the next Annual General Meeting of the Company are derived based on the current Board size and number of scheduled Board and Board Committees meetings to be held. These Resolutions are to facilitate payment of Directors' fees and benefits for the financial year 2020/2021.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next Annual General Meeting of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

4. **Item 8 of the Agenda**

Ordinary Resolution 8 is to seek shareholders' approval of a general mandate for issuance of shares by the Company pursuant to the Companies Act 2016. Bursa Malaysia Securities Berhad had vide its letter dated 16 April 2020 allowed, as an interim measure, for the listed corporations to seek a higher general mandate under Rule 6.04 of the ACE Market Listing Requirements of not more than twenty per centum (20%) of the total number of issued shares (excluding treasury shares) for issue of new securities ("**20% General Mandate**"), provided that:-

(a) the listed corporation procures its shareholders' approval for the 20% General Mandate at a general meeting; and
(b) the listed corporation complies with all the relevant applicable legal requirements including its constitution or relevant constituent document.

The 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2021 and thereafter, the ten per centum (10%) general mandate will be reinstated.

The Board, having considered the current economic climate arising from the global COVID-19 pandemic, future financial needs and capacity of the Group, is of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. The Ordinary Resolution 8 proposed, if passed, will provide flexibility to the Directors of the Company to undertake any possible fund raising activities expeditiously and efficiently during this challenging time, including but not limited to placement of shares for the purpose of meeting its funding requirements for the Group's current and/or future investment projects, working capital, acquisitions and/or such other purposes as the Directors may deem fit, without having to convene a general meeting, provided that the aggregate number of shares or convertible securities issued does not be more than 20% of the total number of issued shares. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

5. **Item 9 of the Agenda**

The proposed amendments to the Company's Constitution are made mainly to have express constitutional provisions to allow remote participation at general meetings and the appointment of proxy(ies) and/or representative(s) to attend, speak and vote at any general meeting/meeting of members of the Company and/or any adjournment thereof to be lodged via electronic means, to enhance administrative efficiency.

The proposed amendments to the Company's Constitution shall take effect once the Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of the members who are entitled to vote and do vote in person or by proxy at the 3rd AGM.

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

Virtual Annual General Meeting:

*i. As part of the measures taken by the Company to curb the spread of COVID-19 and taking into consideration the paramount safety and well-being of the members of the Company, the 3rd AGM of the Company will be held as a fully virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") through its TIIH Online website at https://tiih.online. This is also in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 15 July 2020 (including any amendments that may be made from time to time) ("**Guidance Note**"). Please follow the procedures as set out in the Administrative Guide for the 3rd AGM which is available at the Company's website at http://solarvest.my.*

ii. In compliance with Section 327(2) of the Companies Act 2016, the Chairperson of the meeting shall be present at the main venue of the meeting in Malaysia and pursuant to the Securities Commission Malaysia's Guidance Note, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM.

*iii. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 3rd AGM, instead are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 3rd AGM via the RPV provided by TIIH.*

Notes:

*i. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2020 ("**General Meeting Record of Depositors**") shall be eligible to participate at this 3rd AGM.*

ii. A member of the Company who is entitled to participate at this 3rd AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company.

*iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

*iv. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

v. The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointor or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.

vi. The instrument appointing a proxy, a power of attorney or other authorities, where it is signed or certified shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Kindly refer to the Administrative Guide for the 3rd AGM for the procedures on RPV.

vii. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of Meeting will be put to vote by poll.

NOTICE OF THIRD ANNUAL GENERAL MEETING
(cont'd)

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 3rd AGM and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 3rd AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 3rd AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

SOLARVEST

SOLARVEST HOLDINGS BERHAD
[Registration No. 201701033607 (1247778-U)]
(Incorporated in Malaysia)

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held			CDS Account No.	

*I/We ____________________________ NRIC No./Passport No./Company No. __________________
(FULL NAME IN BLOCK LETTER)

of ____
(FULL ADDRESS)

with email ________________________ and mobile phone no. __________________
, being a *member/members of **SOLARVEST HOLDINGS BERHAD**, do hereby appoint(s):-

Full Name (in Block) [Proxy 1]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

and

Full Name (in Block) [Proxy 2]	NRIC/Passport No.	Proportion of shareholding	
		No of shares	%
Address:			
Email Address:			
Mobile Phone No.:			

or failing whom, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Third Annual General Meeting ("**3rd AGM**") of the Company to be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue at Tricor Business Centre, Manuka 2 & 3 Meeting Room, Unit 29-01, Level 29, Tower A, Vertical Business Suites, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on Monday, 28 September 2020 at 10:00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below how you wish your votes to be casted. If no specific direction as to voting is given, the proxy(ies) will vote or abstain for voting at his(her) discretion.

ORDINARY RESOLUTION		FOR	AGAINST
1.	Approval of the payment of Director's fees amounting to RM21,000.00 and Director's benefits of RM1,500.00 payable to Mr. Gan Teck Hooi, being the Independent Non-Executive Director of the Company for the period from 24 February 2020 to 28 September 2020		
2.	Approval of the payment of Directors' fees for an amount of up to RM264,000.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 29 September 2020 until the next Annual General Meeting of the Company		
3.	Approval of the Directors' benefits for an amount of up to RM20,000.00 payable to the Non-Executive Directors of the Company for the period from 29 September 2020 until the next Annual General Meeting of the Company		
4.	Re-election of Dato' Che Halin Bin Mohd Hashim as Director pursuant to Clause 83 of the Company's Constitution		
5.	Re-election of Ms. Fong Shin Ni as Director pursuant to Clause 83 of the Company's Constitution		
6.	Re-election of Mr. Gan Teck Hooi as Director pursuant to Clause 90 of the Company's Constitution		
7.	Re-appointment of Messrs. Ecovis Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration		
8.	Authority to issue shares pursuant to the Companies Act 2016		
SPECIAL RESOLUTION			
9.	Proposed amendments to the Company's Constitution		

Dated this ________ day of ____________ 2020

____
Signature of Member/Common Seal

* *Strike out whichever is not desired.*

Fold This Flap For Sealing

Virtual Annual General Meeting:

*i. As part of the measures taken by the Company to curb the spread of COVID-19 and taking into consideration the paramount safety and well-being of the members of the Company, the 3rd AGM of the Company will be held as a fully virtual meeting via live streaming and online remote voting using the Remote Participation and Voting Facilities ("**RPV**") provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") through its TIIH Online website at https://tiih.online. This is also in line with the revised Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 15 July 2020 (including any amendments that may be made from time to time) ("**Guidance Note**"). Please follow the procedures as set out in the Administrative Guide for the 3rd AGM which is available at the Company's website at http://solarvest.my.*

ii. In compliance with Section 327(2) of the Companies Act 2016, the Chairperson of the meeting shall be present at the main venue of the meeting in Malaysia and pursuant to the Securities Commission Malaysia's Guidance Note, the broadcast venue will be strictly limited to only essential individuals for organising and conducting the virtual AGM.

*iii. Members and/or proxy(ies) and/or corporate representative(s) and/or attorneys **WILL NOT BE ALLOWED** to be physically present at the Broadcast Venue on the day of the 3rd AGM, instead are to attend, speak (including posing questions to the Board of Directors via real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 3rd AGM via the RPV provided by TIIH.*

Notes:

*i. In respect of deposited securities, only members whose names appear in the Record of Depositors on 18 September 2020 ("**General Meeting Record of Depositors**") shall be eligible to participate at this 3rd AGM.*

ii. A member of the Company who is entitled to participate at this 3rd AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company.

*iii. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

Then Fold Here

AFFIX
STAMP

The Share Registrar of
SOLARVEST HOLDINGS BERHAD [Registration No. 201701033607 (1247778-U)]
c/o: Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Wilayah Persekutuan

1st Fold Here

*iv. Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.*

v. The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointor or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialled.

vi. The instrument appointing a proxy, a power of attorney or other authorities, where it is signed or certified shall be deposited at the office of the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not less than forty eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.

Kindly refer to the Administrative Guide for the 3rd AGM for the procedures on RPV.

vii. Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of Meeting will be put to vote by poll.

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 3rd AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of 3rd AGM dated 28 August 2020.

SOLARVEST HOLDINGS BERHAD
[Registration No. 201701033607 (1247778-U)]

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