



**ANNUAL
REPORT
2022**

**A WORLD GENERATED BY
RENEWABLE ENERGY**

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ANNUAL REPORT 2022



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ABOUT US

Founded in 2012, Solarvest started its journey with the vision to create a world of widely accessible clean energy. In Malaysia, we are one of the few pure-play solar photovoltaic ("PV") companies and the first batch of grid-tied solar power installation providers certified by SEDA (Sustainable Energy Development Authority), ISPO (Institute for Sustainable Power Quality) and GCPV (Grid-Connected Solar Photovoltaic).

The Company was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") on 26 November 2019 and was subsequently transferred to the Main Market on 13 October 2021.

With an established track record of building about 400 Megawatt-peak ("MWp") of solar assets, Solarvest is a specialist in turnkey engineering, procurement, construction, and commissioning ("EPC") solutions for projects involving

residential, commercial and industrial ("C&I") properties as well as large-scale solar ("LSS") PV plants. The Company also provides operations and maintenance ("O&M") services for solar PV systems.

Over time, we moved up the value chain with a scope that now includes constructing, owning, maintaining, and operating solar projects. Today, we own several small-scale solar PV plants in Peninsular Malaysia and are developing LSS PV plants with a cumulative capacity of 50 Megawatt ("MW") awarded by the Energy Commission in 2021. Meanwhile, we have also ventured into neighbouring countries for our renewable energy development and ownership, with a regional footprint encompassing the Philippines, Taiwan, Vietnam, and Indonesia.

Moving forward, Solarvest is expanding its exposure beyond solar energy with the aspiration of becoming a leading clean energy company in the region.

AWARDS AND RECOGNITION

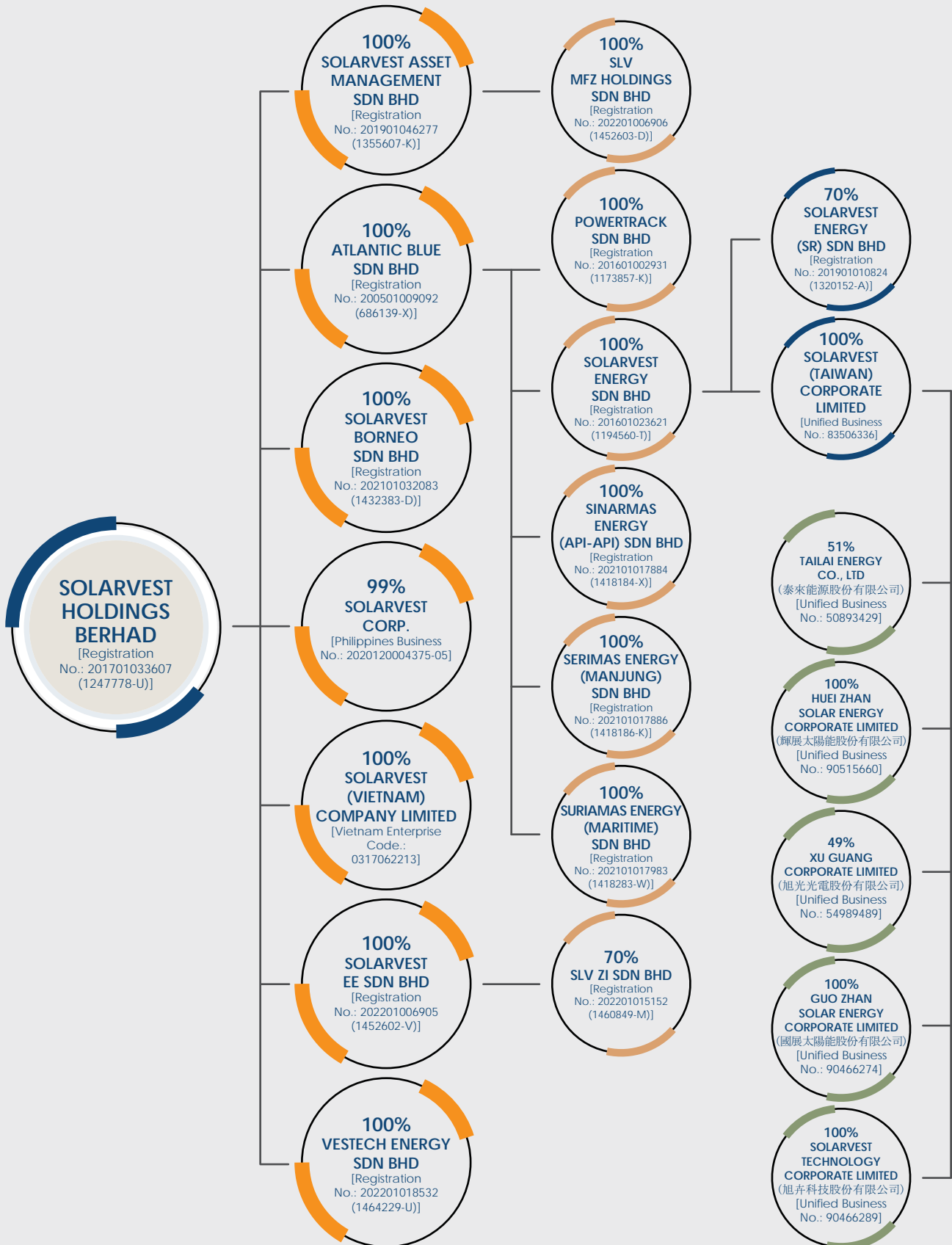
 <p>2021 Graduates' Choice Award – Top 5 Most Preferred Graduate Employers To Work With in Renewable Energy Category</p>	 <p>2021 Sustainability & CSR Malaysia Awards – Company of the Year Award for Leadership in Community Services</p>
 <p>2020 Graduates' Choice Award - Top 5 Most Attractive Graduate Employers in Greentech Category</p>	 <p>2019 The Golden Globe Tigers – Solar Energy Leadership Award</p>
 <p>2018 SME 100 Fast Moving Companies Award</p>	 <p>2018 Top 100 Most Influential Sustainable Entrepreneur Award</p>
 <p>2016 Star Outstanding Business Awards</p>	 <p>2016 Golden Eagle Award – (Nan Yang) Excellent Eagle</p>
 <p>2016 CMO ASIA - Asia Renewable Energy Excellence Award</p>	 <p>2015 Sin Chew Business Excellence Award</p>

<p>OUR VISION</p> <p>A World Generated by Renewable Energy</p>	<p>OUR MISSION</p> <p>To provide our clients the highest quality and value-added turnkey solar energy solutions, and thereby bring superior financial return on their investment</p>
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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.

GROUP STRUCTURE



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 LSS PV 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 LSS PV 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 LSS PV 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 of Bursa Securities in November 2019
- Established Solarvest Asset Management to carry out the business of solar leasing and other related activities

2020

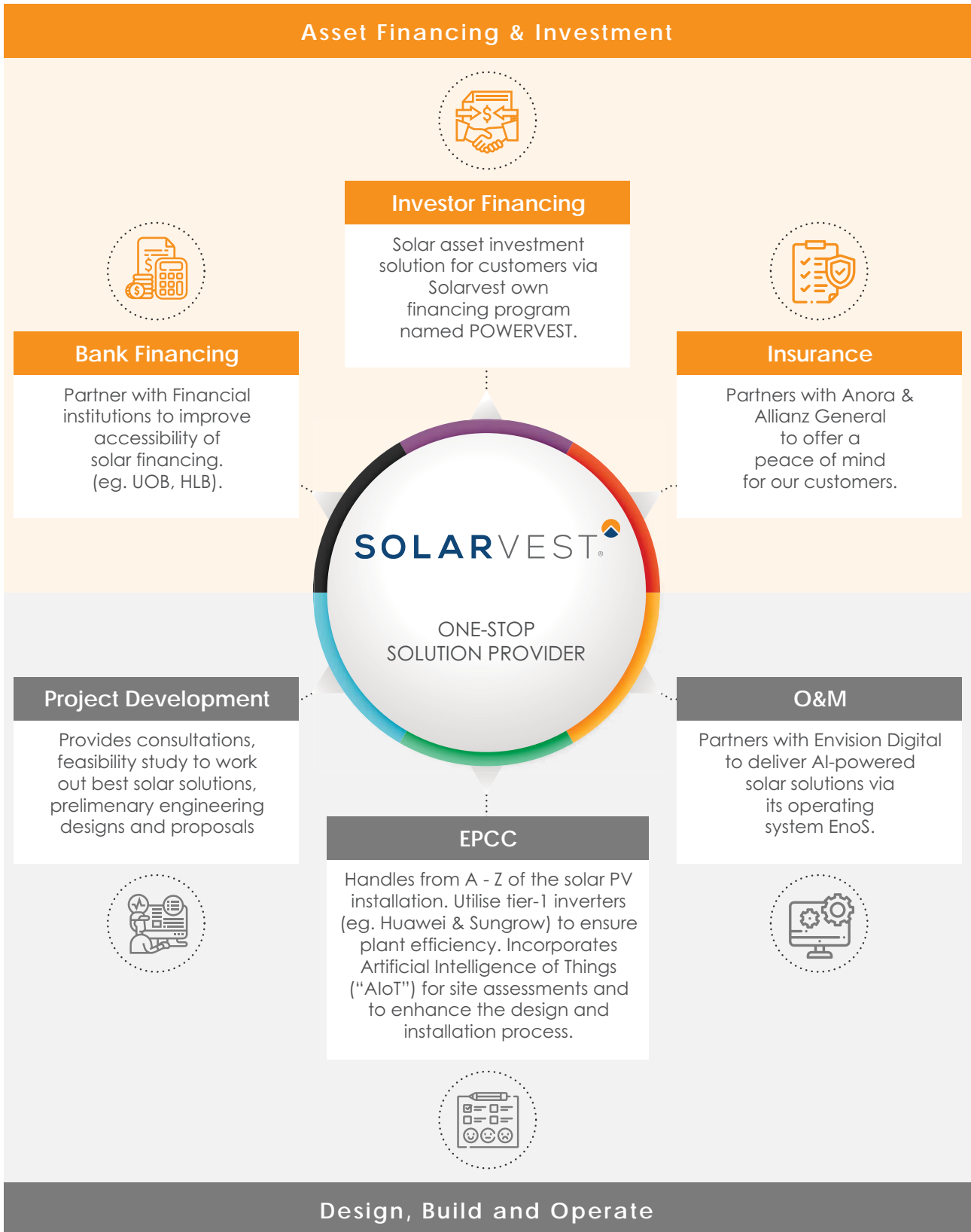
- Acquired 51% equity interest in Tailai Energy Co., Ltd to venture into the solar industry in Taiwan
- Established Solarvest Corp. in Philippines to further expand our business within the solar industry of Philippines

2021

- The Group was awarded three bids in LSS4 program with a total capacity of 50MW. It marks a major leap forward in our expansion plans
- Launched the first of its kind flexible and affordable solar financing programme – Powervest – to accommodate client's financial needs in solar PV system project investment
- Kickstarted Solarvest Innovation Lab to power up startup company in Malaysia.
- Headquarter & Penang branch relocated to a bigger space to accommodate our growing business and provide a better environment for Solarvees
- The Group has successfully transferred its listing from ACE Market to Main Market of Bursa Securities

BUSINESS OVERVIEW

SOLAR - ONE STOP SOLUTION PROVIDER



BUSINESS SEGMENT

4 Main Business Segments



Turnkey Solar EPCC:

We provide EPCC services to three (3) main segments, namely LSS, C&I properties and Residential.

Solar PV Systems Operations and Maintenance (O&M):

We provide comprehensive services that include solar performance monitoring, AIoT solutions, preventative maintenance, and corrective maintenance.



Asset Development & Management:

We develop and own solar assets ranging from FIT, NEM/SELCO rooftop to LSS PV plants.

Under the business transformation plan, we will expand asset portfolio to include other RE sources such as mini-hydro and biogas and across different countries in Southeast Asia.

New Sustainable Solutions:

We are expanding our services in the clean energy ecosystem such as energy efficiency (EE) solutions, energy storage systems (ESS), low-carbon mobility (EV), RE certificates, green hydrogen and green data centres. We have high focus in EE where we provide EPCC solutions and smart energy monitoring solutions for buildings application to manage energy consumption efficiently. We also offer zero upfront costs for our clients to adopt EE through Energy Performance Contract (EPC) and Cooling as a Service (CaaS).



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
(Ceased w.e.f 7/7/2022)*

Fong Shin Ni
Independent Non-Executive Director

Gan Teck Hooi
Independent Non-Executive Director

Azian Binti Mohd Yusof
Independent Non-Executive Director

Chong Chun Shiong
*Executive Director cum
Group Chief Executive Officer
(Appointed w.e.f. 29/12/2021)*

Lee Hai Peng
*Non-Independent Non-Executive Director
(Appointed w.e.f. 7/7/2022)*

AUDIT COMMITTEE

Chairman
Gan Teck Hooi

Members
Fong Shin Ni
Azian Binti Mohd Yusof

REMUNERATION COMMITTEE

Chairman
Gan Teck Hooi

Members
Fong Shin Ni
Lee Hai Peng
(Appointed w.e.f 7/7/2022)
Chiau Haw Choon
(Ceased w.e.f 7/7/2022)

NOMINATION COMMITTEE

Chairperson
Fong Shin Ni

Members
Gan Teck Hooi
Lee Hai Peng
(Appointed w.e.f 7/7/2022)
Chiau Haw Choon
(Ceased w.e.f 7/7/2022)

RISK MANAGEMENT COMMITTEE

Chairman
Gan Teck Hooi

Members
Fong Shin Ni
Chong Chun Shiong

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Main 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 : 03-79822010
Fax : 03-79801242

PRINCIPAL PLACE OF BUSINESS

L1-01, Pacific 63@PJ Centre,
No. 5, Jalan 13/6, Seksyen 13,
46200 Petaling Jaya, Selangor
Tel : 03-76253211
Fax : 03-76253212
Email address : invest@solarvest.my
Website : http://solarvest.my

PRINCIPAL BANKERS

OCBC Al-Amin Bank Berhad
Hong Leong Islamic Bank Berhad
Maybank Islamic Berhad
United Overseas Bank (Malaysia) Bhd
HSBC Amanah Malaysia Berhad

AUDITORS

Ecovis Malaysia PLT (AF 001825)
No. 9-3, Jalan 109F, Plaza Danau 2
Taman Danau Desa
58100 Kuala Lumpur
Tel : 03-79811799
Website : www.ecovis.com.my

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 : 03-27839299
Fax : 03-27839222

COMPANY SECRETARY

Teo Soon Mei (MAICSA 7018590)
(SSM PC No. 20190800235)

DIRECTORS' PROFILE



DATO' CHE HALIN BIN MOHD HASHIM

Independent Non-Executive Chairman

Malaysian | Aged 67 | Male

Dato' Che Halin Bin Mohd Hashim was appointed to our Board of Directors ("Board") and the Chairman of the Board on 14 September 2018. He graduated with a Bachelor of Science in Mechanical Engineering from University of Leeds, United Kingdom in 1979. He subsequently obtained a master's degree in 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 Affin Investment Bank Berhad (formerly known as Chartered Merchant Bankers Berhad) in year 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 joined Sime AXA Assurance Berhad as Manager of its Technical and Motor Division. He was promoted to Senior Manager and in year 1996 was reassigned to establish the Institutional Marketing and Bancassurance department in 1996, in charge of improving the company's Institutional Marketing and Bancassurance.

He joined Time Engineering Berhad in year 1997 as Senior General Manager and was subsequently appointed as Chief Operating Officer of Uniphone Sdn Bhd after the company was acquired by Time

Engineering Berhad in year 1997. He was responsible for the operations and integration of Uniphone Sdn Bhd with Time Engineering Berhad. In year 1998, he was appointed as Director of Business Support Services of TT dotCom Sdn Bhd where he was responsible for overseeing regulatory, customer service, credit risk management, as well as the IT division of the company. In year 2002, he was reappointed as the Chief Operating Officer of Time Reach Sdn Bhd (previously, Uniphone Sdn Bhd) responsible for managing and implementing plans to improve the business performance of the company.

He left Time Reach Sdn Bhd in year 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, developing strategic planning, as well as annual operating plans for the group. He retired in year 2012.

Dato' Che Halin is also an Independent Non-Executive Director of Signature International Berhad and has directorships in various other private businesses. He has no family relationship with any director and/or major shareholder of Solarvest Holdings Berhad ("Solarvest" or "the Company").

He has attended four (4) out of five (5) Board meetings for the financial year ended 31 March 2022 ("FYE 2022").

DIRECTORS' PROFILE

(cont'd)



MR. LIM CHIN SIU

*Managing Director
Malaysian | Aged 42 | 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 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 the 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 company, with 3 other partners in the same year. He was responsible of managing various aspects of the company's electrical projects from documentation to tendering including 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.

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

He has attended five (5) out of five (5) Board meetings for the FYE 2022.

DIRECTORS' PROFILE

(cont'd)



MR. TAN CHYI BOON

Executive Director

Malaysian | Aged 42 | 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 since commencement 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. After graduation, he established 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 its 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 company, and he does not have any family relationship with any other director and/or major shareholder of the Company.

He has attended five (5) out of five (5) Board meetings for the FYE 2022.

DIRECTORS' PROFILE

(cont'd)



MS. FONG SHIN NI

*Independent Non-Executive Director
Malaysian | Aged 48 | Female*

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

She holds a master's degree in Business Administration from Cardiff University as well as a bachelor's degree in Law from 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. 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 five (5) out of five (5) Board meetings for the FYE 2022.

DIRECTORS'

PROFILE

(cont'd)



MR. GAN TECK HOOI

*Independent Non-Executive Director
Malaysian | Aged 48 | 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 Management Committee, Audit Committee and Remuneration Committee. He is also a member of the Nominating 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 that provides consultation to small and medium-sized enterprises ("SME") to improve productivity and profitability. He was the President of the International Council for SME and Entrepreneurship-Malaysia (ICSMEE Malaysia) in year 2020 and 2021.

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

He has attended five (5) out of five (5) Board meetings for the FYE 2022.

DIRECTORS' PROFILE

(cont'd)



MS. AZIAN BINTI MOHD YUSOF
Independent Non-Executive Director
Malaysian | Aged 64 | Female

Ms. Azian Binti Mohd Yusof was appointed to our Board and as a member of the Audit Committee on 29 July 2021. She holds a Bachelor Degree of Economics from the University of Malaya, Kuala Lumpur.

She served the Malaysian Investment Development Authority ("MIDA"), a government agency under the Ministry of International Trade and Industry ("MITI"), from June 1982 until July 2018. Since then, she has over 30 years of experience in promoting the growth of investments in Malaysia during her tenure with MIDA.

She was the Director of Communications and Media Division from 2007 to 2010 and was responsible for the branding and strategising MIDA's position globally through collaborations with Forbes, Nikkei and other notable media companies. From 2010 to 2013, she became the Director of Business Services Division and was involved in the development and promotion of the Services Sector Capacity Development Fund, a fund allocated by the government which aimed to grow the Internet of Things capabilities for businesses in the Services Sector. She was also involved in promoting the Green Technology Fund created by the government under the Malaysian Green Technology Corporation.

She then held the position of Director of Resource based industries covering food, wood based

including furniture, paper packaging and oil palm industries between January 2013 to November 2014. Thereafter, she served as Executive Director until August 2017 covering the industries in Oil & Gas, Maritime, Green Technology, Healthcare, Hospital and Education Services. She had led and guided the team in developing and creating new policies to further grow investments into several sectors. She also served as chairperson for various committees including Committees on Import Duty Exemption on raw materials, Expatriates Posts and Task Force under the Industry 4.0.

From September 2017 and until her retirement in July 2018, she was promoted as the Deputy Chief Executive Officer in charge of Strategic Planning and Coordination where her job scope covered reviewing policies on various initiatives for further enhancement of identified sub-sectors to leap frog the growth of industries.

Ms. Azian is also the Independent Non-Executive Director of Bonia Corporation Berhad and Texchem Resources Berhad. 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 2022.

DIRECTORS'

PROFILE

(cont'd)



MR. CHONG CHUN SHIONG

*Executive Director cum Group Chief Executive Officer
Malaysian | Aged 42 | Male*

Mr. Chong Chun Shiong was appointed to our Board on 29 December 2021 and 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's degree in Engineering majoring in Electrical and Mechatronics. In 2012, he obtained a master's degree in Business Administration from University of Ballarat, Australia. In 2021, he successfully completed Executive Education Programme on Mergers and Acquisition from Imperial College London.

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 programmes for new product releases covering the Asia Pacific and Europe. During his stint at Avago Technologies (M) Sdn Bhd is when he pursued his master's degree 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 Southeast Asia region, China, Australia and New Zealand. He left in 2014 and joined Atlantic Blue Sdn Bhd as a Marketing Director where he developed and implemented various EPCC strategic marketing plans. He was subsequently promoted to Group Chief Executive Officer on 1 April 2017.

Mr. Chong Chun Shiong does not hold directorships in any other public company. He has no family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company.

He has attended one (1) out of one (1) Board meeting for the FYE 2022.

DIRECTORS' PROFILE

(cont'd)



MR. LEE HAI PENG

*Non-Independent Non-Executive Director
Malaysian | Aged 56 | Male*

Mr. Lee Hai Peng was appointed to our Board on 7 July 2022. He was appointed as a member of the Nominating and the Remuneration Committees on 7 July 2022. He obtained his professional qualification from Chartered Institute of Management Accountants (UK) in August 1994. He is a registered Chartered Accountant with the Malaysian Institute of Accountants and has over twenty-seven (27) years of working experiences in the field of audit, marketing, corporate finance and accounting.

He began his career as an Audit Assistant with BDO Binder in June 1991 where he was involved in various audit assignments for public listed companies in Malaysia. He left in November 1992 to join Messrs Gee & Co as its Branch Manager, responsible for its audit, secretarial and tax matters. In December 1994, he joined Trontex (M) Sdn Bhd as an Executive

Director, where he was responsible for the overall finance and accounting functions, marketing and business operations of the company. Subsequently, he joined Chin Hin Group Berhad in September 2008 as the Group Accountant. He was promoted and become the Group Financial Controller in April 2009 and was appointed as the Non-Independent Executive Director on 23 January 2015.

He is currently a Non-Independent Executive Director of Chin Hin Group Berhad and has directorships in various other private businesses. He has no family relationship with any director and/or major shareholder of the Company.

He was appointed after the FYE 2022 and did not attend any meetings of the Board and Board Committees.

Notes:

Family Relationship with Director and/or Major Shareholder

None of the Directors have any family relationships with any director and/or major shareholder of the Company.

Conflict of Interest

None of the Directors have any conflicts of interest with the Company.

Conviction of Offences

None of the Directors have been convicted of any offences in the past five (5) years other than traffic offences.

KEY SENIOR MANAGEMENT PROFILE

**MR. YAP PEI KOON**

*Chief Operating Officer
Malaysian | Aged 43 | Male*

Date of appointment to the current position: 1 November 2021

Mr. Yap Pei Koon has over 20 years of experience in renewable energy, power generation and oil & gas industries. He joined Solarvest in 2020 as Head of Operations, primarily responsible to lead and oversee the operations of Solarvest and its subsidiaries ("the Group") and the implementation of business strategies. As the Chief Operating Officer of Solarvest, he will assist the Group Chief Executive Officer of Solarvest and be responsible for the Group's daily operations and the implementation of strategies.

He began his career with Impian Tekad Sdn. Bhd. in 2001 as a Project Engineer and was involved in various combined cycle and hydro power plants projects. In 2010, he joined Sapura Energy Berhad ("Sapura") as a Project Manager and was later promoted to Senior Project Manager where he successfully grew a business units revenue from USD1 million to USD40 million and executed the first Floating, Storage & Offloading (FSO) project and first Deepwater Floating, Production, Storage & Offloading (FPSO) project in Sapura. He left Sapura

in 2014 and took on a contract employment as Project Manager with start-up oil & gas service providers in Malaysia.

He later took a career break in 2016 and during this period, he was accredited as a Facilitator for Personal Efficiency Program and coached corporate executives to achieve sustainable productivity growth and improvements.

In 2019, Vincent resumed his career as a Project Manager in Trans Fame Offshore Sdn. Bhd. ("Trans Fame") before he was promoted to General Manager a few months later where he efficaciously reduced the overall operation cost of Trans Fame by 22% and successfully delivered the Gumusut Kakap 2019 Turnaround Campaign, helping his client to prevent potential production loss that is valued at approximately USD10 million per day.

As at 30 June 2022, he has direct interest of 100 ordinary shares.

KEY SENIOR MANAGEMENT PROFILE

(cont'd)



MR. LIEW CHEE ING

Chief Strategy Officer
Malaysian | Aged 34 | Male

Date of appointment to the current position:
1 November 2021

Mr. Liew Chee Ing has over 10 years of experience in the energy and oil & gas sectors and brings strong strategy, business advisory expertise and holistic experience from the energy industry, covering power generation, transmission, distribution, retail and policy setting from both private players and regulatory bodies perspective.

Mr. Leon Liew started his career with Schlumberger Limited ("Schlumberger") in 2011 as an Offshore Field Engineer where he was involved in oil & gas exploration across the globe, running seismic, directional drilling and logging services, and also accomplished several world record-breaking drilling operations. He held various roles and assignments during his tenure in Schlumberger namely operations, technical, and business development in more than 10 countries. His last position in Schlumberger was as Drilling Services Manager, managing various International Oil Companies (IOC) drilling services operations with over 100 workforces

to streamline service delivery across project operations.

In 2018, Mr. Leon Liew joined Sarawak Energy Berhad ("SEB") and headed the corporate development division where he spearheaded SEBs strategic foresight and innovation development, new energy venture and corporate continuous improvement. He developed new business strategies and drove corporate growth by identifying acquisition and strategic investment opportunities across the energy market such as solar energy, energy storage development, hydrogen business, renewable energy certificates venture, electric vehicles roadmap, etc.

Throughout his career in SEB, Mr. Leon Liew also drove Corporate Organizational Excellence with continuous improvement through operational excellence and operational innovation initiatives to improve the financial and operating performance of SEB.

KEY SENIOR MANAGEMENT

PROFILE

(cont'd)



MR. LIEW KONG FATT

*Chief Financial Officer
Malaysian | Aged 44 | Male*

Date of appointment to the current position: 1 April 2022

Mr. Liew Kong Fatt has more than 20 years of experience in audit, corporate finance and corporate advisory. He is a Chartered Financial Analyst charterholder and members of the Association of Chartered Certified Accountants and the Malaysian Institute of Accountants.

He started his career in an international accounting firm - Grant Thornton. After 3 years of varied audit and consultancy exposures, he joined the Corporate Finance Division in Malaysian International Merchant Bankers Berhad from 2004 to 2006 and later in CIMB Investment Bank Berhad ("CIMB") from 2007 to 2010. During his years in the investment banks, he had garnered extensive experience in advising Malaysian public listed companies in the areas of initial public

offering, fund raising, corporate restructuring and corporate finance advisory. After 7 years of originating, structuring and executing various deals over multiple industries, he left CIMB as a Manager of Corporate Finance in 2010.

He then joined Tan Chong Motor Holdings Berhad Group ("Tan Chong Group") in 2011 with his last position held as the General Manager of Corporate Planning where he planned and executed Tan Chong Group's financial funding needs and mergers & acquisitions exercises. He left Tan Chong Group in 2022 with both equity and debt transaction experience to assume his role in Solarvest as Chief Financial Officer.

KEY SENIOR MANAGEMENT PROFILE

(cont'd)



MR. TAN QI JIE

*Business Development Director
Malaysian | Aged 32 | Male*

Date of appointment to the current position:
1 November 2020

Mr. Tan Qi Jie is the youngest personnel in the management of Solarvest. He has over 10 years of experience in various segments in the clean energy and construction industry and has held numerous management roles in project planning, design, operations, project cost management, talent resources, procurement, inventory management, licensing and business development.

Currently, he is spearheading the Company's commercial operations as a Business Development Director. Jack first joined the Company's subsidiary – Atlantic Blue in 2013 as a Project Manager responsible for organising and coordinating projects and held various positions within the Group before being appointed to this current position. He was also instrumental in developing and setting up the quality management system, ERP, and Standard

Operating Procedure for Solarvest. He attained the ISO 9001:2015 certification for the Company.

Before Solarvest, he was the Project Engineer in Teong Jin Building Contractor Sdn Bhd where he gained valuable experience in the various stages of construction.

He graduated with a Bachelor's degree in Civil and Structural Engineering from the University of Leeds, the United Kingdom in 2012. He is also a Grid-Connected Photovoltaic System Design competent person, certified by SEDA.

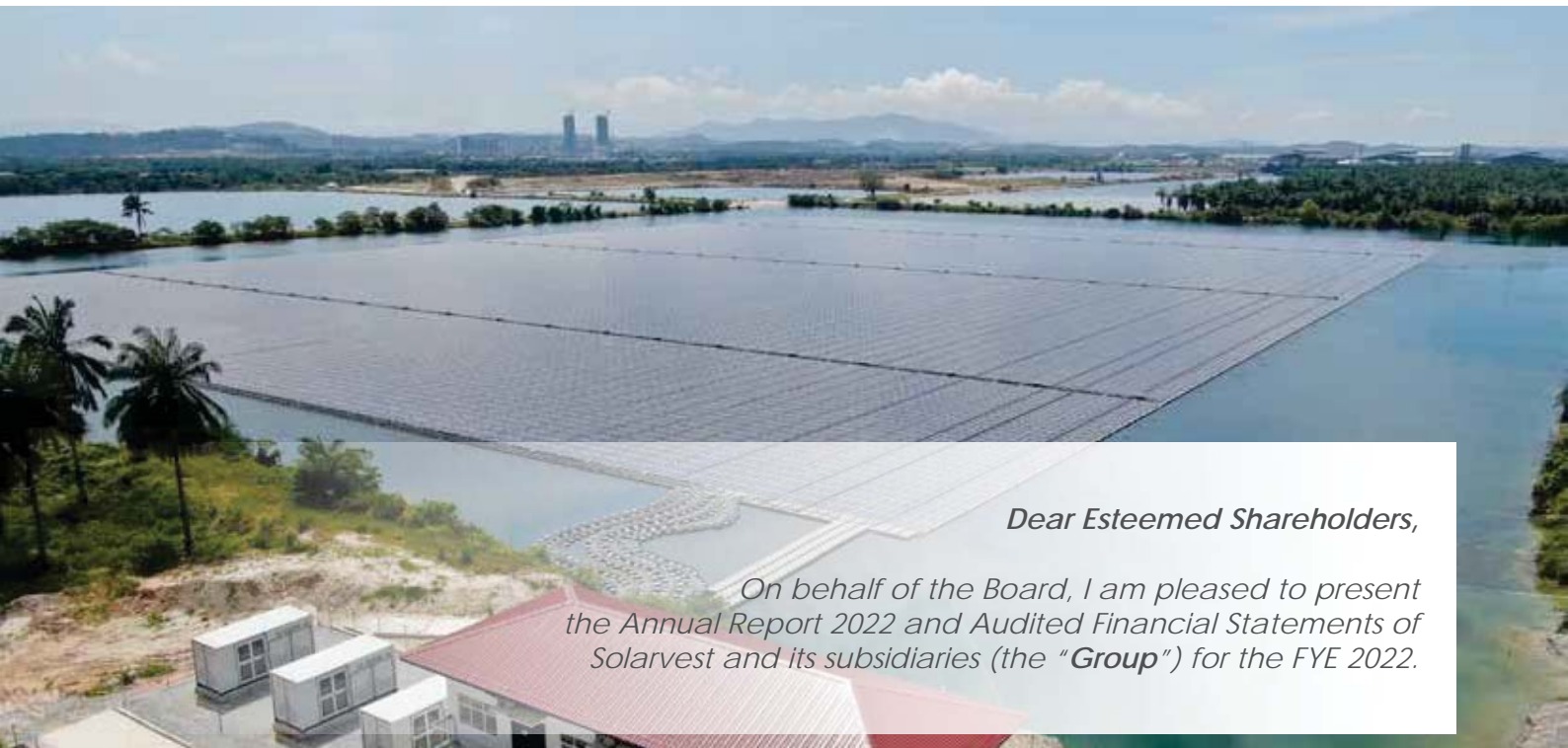
He is the brother of Tan Chyi Boon, Executive Director of Solarvest. As at 30 June 2022, he has direct interest of 298,700 ordinary shares and 298,675 Warrants A 2021/2026 in the Company.

Notes:

Save as disclosed, none of the Key Senior Management have:

1. any interest in the Company and its subsidiaries;
2. any directorship in any other public companies and listed issuers;
3. any family relationship with any Directors and/or major shareholders of the Company;
4. any conflict of interest with the Company; and
5. any conviction for offences within the past 5 years other than traffic offences.

CHAIRMAN'S STATEMENT



Dear Esteemed Shareholders,

On behalf of the Board, I am pleased to present the Annual Report 2022 and Audited Financial Statements of Solarvest and its subsidiaries (the "Group") for the FYE 2022.

AN IMPORTANT CROSSROAD

About 200 years ago, the second energy transition through the exploitation of fossil fuels accelerated human progress exponentially, giving us the modern and sophisticated civilisation we are enjoying today. Despite all the benefits, the long-term use of hydrocarbons requires a trade-off that we cannot continue to bear. Global warming is becoming increasingly prevalent each passing day. "Now or never", quoted in the United Nations ("UN") report on climate change in April 2022, perfectly depicted the urgency of the matter. Swift and sizeable actions to limit global warming to 1.5 °C are required to avoid the "point of no return".

Whilst the second energy revolution brought us immense technological progress, the ongoing third energy transition is arguably one of greater importance as it pertains to humanity's long-term survival. In recent years, many countries have pledged to, and some even put into law to reach respective targets of net-zero carbon emissions by 2050. Unfortunately, climate policies have faced some setbacks in the past two years as the world grappled with a more immediate threat in the form of COVID-19 pandemic. Impacts from the health crisis cascaded to all facets of the globalised market, including the supply chain shock that skyrocketed

prices of various key commodities. Like many industries, growth in the renewable energy space was dampened by inflated input costs.

A CHALLENGING YEAR

The 2022 financial year for Solarvest has been a very challenging one. The Group has encountered obstacles far greater than the year prior to when the COVID-19 pandemic first broke out. In addition to bearing increased material costs, we had to stop all our operations during the full movement control order (FMCO) in mid-2021. Even after official restrictions were lifted, our commercial and industrial ("C&I") customers chose to delay installation works for solar photovoltaic systems as they prioritised getting their own business operations running smoothly first. Meanwhile, projects under the fourth cycle of the Large Scale Solar ("LSS4") programme only recommenced higher pace of progress in early-2022. As a consequence, the Group reported a drop in revenue from RM224.3 million in FYE 2021 to RM175.8 million for the year under review. Over the same period, profit after tax and non-controlling interests fell from RM16.1 million to RM6.9 million.

CHAIRMAN'S STATEMENT

(cont'd)

SETTING UP FOR A GOOD FYE 2023

In spite of all the shortcomings, there were still many positives in FYE 2022. For instance, the Group solidified its position as a leading player in the solar industry after securing a total of eight (8) engineering, procurement, construction, and commissioning contracts under the LSS4 programme with a cumulative capacity of close to 200 megawatts ("MW"). The success in securing contracts, coupled with its strong presence in the C&I segment has pushed its unbilled order book to various all-time highs throughout the year, finally ending FYE 2022 at RM727.0 million. With an unbilled order book 4 times the size of FYE 2022 revenue, we can confidently expect better set of results for FYE 2023.

In addition to the above mentioned, the Group has made significant breakthroughs in our bid to move up the value chain and become an asset developer and energy producer. During the year, we signed power purchase agreements with Tenaga Nasional Berhad for the sale of electricity from our three (3) projects under the LSS4 scheme which collectively boosted the capacity of our solar asset portfolio by 50.0 MW. With two (2) of the three (3) sites expected to be commissioned by December 2022, Solarvest will be able to, as part of the earnings diversification strategy, earn recurring income streams from as early as FYE 2023. This significant step to build new revenue streams that will give the Group consistent and stable cash flows over a long term will enhance the earnings visibility and returns to shareholders.

With Malaysia's borders fully reopened and the country working towards endemicity, we do not foresee any more operational stoppages in FYE 2023. The path is clear for the Group to move forward in executing the backlog of projects.



CLEAN ENERGY SPECIALIST

Taking into consideration of the importance of the third energy transition stated earlier, Solarvest will be doubling its efforts in the fight against global warming. Moving forward, the Group will be expanding beyond the scope of converting sunlight energy. We will be also broadening our exposure across the clean energy space quite significantly. Under one of the pillars of our 5-Year Strategic Roadmap announced in early 2022, we are eyeing vertical expansion into clean energy which encompass, among others, energy efficiency, battery energy storage system ("BESS"), electric vehicle system, renewable energy certificates and green hydrogen.

At Solarvest, we believe that renewable energy should not be developed in a silo. Instead, the success of this third phase transition is very much dependent on an integrated clean energy system. For instance, the viability of mass solar energy adoption requires utility-scale solar farms to be complemented with BESS, as the latter will solve the intermittency issue. Henceforth the authorities and other relevant parties should not be solely focussing on ramping up capacity, but put an equal amount of incentives into developing affordable supporting structures to enhance efficiency. Given these potential developments, we aim to be at the forefront with the launch of a number of new initiatives.

Apart from grabbing new opportunities from local developments, the Group will also be making further geographical expansion into the Philippines and Taiwan, as well as new markets in Vietnam and Indonesia. Additionally, we are looking to potentially broaden of our renewable energy sources to include bioenergy and mini-hydropower energy.

The next 5 years will be an exciting period for the Group as we work towards the transformation from a pure-play solar company into a clean energy specialist.

CHAIRMAN'S STATEMENT

(cont'd)



APPRECIATION

Despite all the challenges in FYE 2022, these are also positive landmark developments for the Group. We are particularly proud of our successful transfer to the Main Market of Bursa Malaysia Securities Berhad. On record, we are the first pure-play solar company to do so. Apart from the above mentioned achievements, significant progress was also made in manpower developments as we ready ourselves for the next 5 years. The exercise involves additions and reshuffling of our top leadership lineup to support the new ventures including our overseas expansion, exploration of other renewable energy sources, and diversification into clean energy verticals.

In FYE 2022, we welcomed our newly appointed Executive Director, Mr. Davis Chong Chun Shiong to the Board. Also holding the role of Group Chief Executive Officer, we believe his extensive experience and knowledge of the industry, along with the newly added influence will only reinforce the Group in this new phase of growth.

On 7 July 2022, the Group has appointed Mr. Lee Hai Peng as its new Non-Independent Non-Executive Director. A special mention to Mr. Chiau Haw Choon, who left the Board on the same day. We would like to thank him for his services to the Group over the past years and wish him the best in his future endeavour.

In closing, we acknowledge our stakeholders who have been supporting us throughout the years. We are confident that your loyalty and faith in Solarvest shall be worthwhile given the exciting transformation ahead of us.

To my fellow Board members, my heartfelt appreciation to you for being a joy to work with in these unprecedented times.

To everyone else, thank you and stay tuned!

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF SOLARVEST

Solarvest is principally an investment holding company listed on the ACE Market of Bursa Securities on 26 November 2019 and was subsequently transferred to the Main Market on 13 October 2021. Solarvest Group is a one-stop solar PV solution provider with the following three (3) key business segments:

1. EPCC;
2. O&M services; and
3. Developer and owner of solar PV assets.

The Group is the leading turnkey EPCC solution provider for solar PV projects in Malaysia.

Prior to installation, we provide consultation services to our potential customers and investors to assess the feasibility of projects. In addition, we partner with financial institutions to provide solar financing facilities. Under the financing and leasing solutions of the *Powervest* programme, we are able to offer prospective customers the option to adopt solar energy with zero initial capital outlay.

Post-installation, we offer O&M services, which utilize artificial intelligence of things (AIoT) to optimize the performance level of solar PV systems and maximise their return on investment.

In addition, we partner with companies such as QBE Insurance (Malaysia) Berhad and Anora Agency Sdn. Bhd. to offer solar-related insurance. In early 2022, we introduced the *SolarPro Line-Stoppage*, a first-of-its-kind general liability policy with consequential loss underwritten. The coverage is extended to both solar PV system investors and site owners on consequential loss due to damages to the property and loss of income.

The Group is capable of integrating a wide array of solar PV systems from small to large-scale projects. The small-scale rooftop segment comprises installation on residential premises as well as C&I buildings and factories. Whereas the large-scale segment includes installations of ground-mounted PV systems and floating solar PV systems. We were responsible for the commissioning of Malaysia's first large-scale floating solar PV plant in Dengkil, Selangor back in 2020.

Since our establishment in 2012, we have installed solar PV systems with a capacity of approximately 400 MWp across all segments.

Besides its EPCC prowess, the Group owns and operates a 1 MWp solar PV plant in Pokok Sena, Kedah since 2014. In the same year, we signed a Renewable Energy Power Purchase Agreements (REPPA) with Tenaga Nasional Berhad ("TNB") under the feed-in tariff (FiT) mechanism. By the end of 2023, an additional 50 megawatts ("MWac") of solar capacity will be added to our solar PV asset portfolio as we commission three (3) new solar PV plants under the LSS4 programme.

The Group has offices in the Philippines, Vietnam, and Taiwan, and is currently setting up an office in Indonesia.

BUSINESS AND OPERATIONAL REVIEW

Operations

After a one-year battle with the pandemic, the country was expecting to kick-start its post-pandemic recovery in 2021 or in our case, the financial year ended 31 March 2022 ("FYE 2022"). However, due to the resurgence of the pandemic in early 2021, social activities and non-essential businesses were once again restricted during the full movement control order (FMCO) imposed in the mid of 2021. This has affected the operational activities of the Group as we halted installation activities for a large part of the financial year.

Coupled with geopolitical tensions, the aftermath of the pandemic has slowed the global economic recovery and exposed many of its structural weaknesses. For instance, these events have adversely affected the global supply chain, impacting most sectors and industries. Consequently, prices of commodities have also risen significantly during this period, which the renewable energy industry was not exempted from.

MANAGEMENT DISCUSSION

AND ANALYSIS

(cont'd)

Operations (cont'd)

These factors have led to the Group's overall underperformance in FYE 2022. Both our top line and bottom line were impacted due to the operational stoppages.

On a positive note, we did see a turnaround towards the end of 2021. Thanks to mass vaccination, COVID-19 infections have become more manageable. Subsequently, we saw the resumption of business activities and the recovery of the economy. This has benefitted Solarvest as installation activities ramped up, which was reflected in the pick-up of our fourth-quarter results in FYE 2022.

Business Review: EPCC

Despite a challenging year operationally, we came out of the year stronger in other aspects. Under the LSS4 programme set up by the Suruhanjaya Tenaga, the Group managed to secure eight (8) EPCC projects. This has solidified our stature as one of the leading players in Malaysia in relation to integrated solar solution services, especially in the utility-scale solar PV segment.

With that, we will be playing an influential role in Malaysia's bid of reaching 31% renewable energy mix by 2025, and 40% by 2035 under the Malaysia Renewable Energy Roadmap ("MyRER"). The eight (8) utility-scale solar plants will have an aggregated capacity of close to 190 MWac and a cumulative contract value exceeding RM550 million. Half of these are expected to be commissioned by the end of 2022, while the remaining are by the end of 2023.

Apart from exposure to the LSS4 scheme, our residential and C&I segments continued to provide strong and consistent support to the Group. In FYE 2022, more than 80% of our RM169.5 million EPCC revenue was contributed by these segments. In terms of our unbilled order book, residential and C&I contracts totalled RM179.0 million as at 31 March 2022. These contracts are expected to be recognised within FYE 2023. Furthermore, our business development team is continuously working hard to replenish our order book to ensure sustainable earnings from these segments.

At the end of FYE 2022, our total unbilled order book sat at an all-time high of RM727.0 million. The amount is expected to be progressively translated to revenue and income over the next two (2) financial years, giving us strong earnings visibility ahead.

Business Review: En Route to Becoming an Energy Producer

In FYE 2022, we made good progress in our bid to expand beyond our EPCC scope to produce solar electricity ourselves. Under the LSS4 scheme, we were awarded three (3) PV plants with a total capacity of 50.0 MWac. Based on the power purchase agreements ("PPA") signed with TNB, two (2) of the three (3) sites are expected to be commissioned by December 2022 while the remaining one (1) site by 2023. With all these assets coming on stream, we are expected to earn a recurrent revenue of around RM24 million per annum for the next 21 years upon the commissioning of sites.

In September 2021, Solarvest launched an all-new solar financing programme called *Powervest* with the goal of providing affordable and accessible clean energy to the C&I segment. The key selling point is the option of zero initial capital outlay. This gives prospective customers huge incentives to install solar PV systems at their respective premises. In addition, a permutation of the programme also involves us fully owning or co-owning solar PV systems built at our customers' sites. So far, we have added a few small-scale solar assets into our portfolio through this.

With the utility-scale solar plants to be built, along with the growing numbers of small-scale plants, we are well on track to reach our goal of attaining a 30% recurring income in a couple of years. This will provide earnings stability to the Group in the long run, creating greater value propositions for our shareholders.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

RESULTS REVIEW

Financial Year Ended 31 March			
RM million	FYE 2021	FYE 2022	Changes
Revenue	224.3	175.8	- 21.6%
Gross Profit	41.1	34.9	- 15.1%
Profit Before Taxation	22.7	11.0	- 51.5%
PATAMI	16.1	6.9	- 57.1%
Gross Profit Margin	18.3%	19.9%	+ 1.6 ppt
Profit Before Taxation Margin	10.1%	6.3%	- 3.8 ppt
PATAMI Margin	7.2%	3.9%	-3.3 ppt

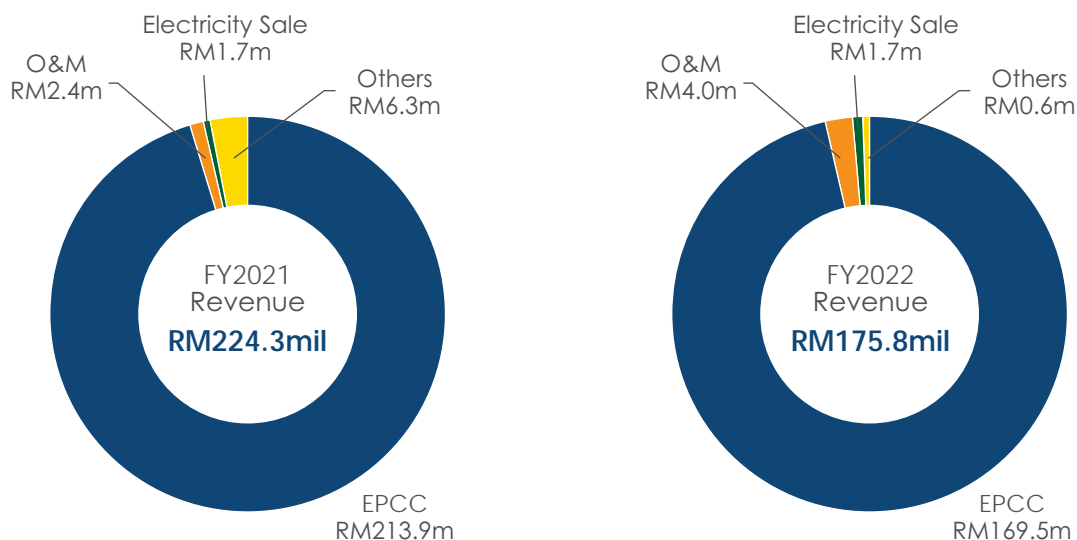
ppt = percentage points

On the whole, it has been a tough FYE 2022 for the Group with its financial performance negatively affected by the difficult operating environment and rising input material costs. The former affected the Group's top line, particularly dragging down its EPCC segment as activities came to a halt for a period of time. As a consequence, Solarvest recorded revenue of RM175.8 million in FYE 2022, dropping 21.6% year-on-year ("YoY") compared to RM224.3 million in FYE 2021.

In FYE 2022, our EPCC segment reported revenue of RM169.5 million, which was a YoY decline of 20.8%. A majority of it came from the residential and C&I segments as revenue recognition on LSS4 contracts only started to pick up in the fourth quarter of FYE 2022.

On the other hand, revenue from the O&M of solar energy system segment saw an improvement of 66.7% YoY, rising from RM2.4 million in FYE 2021 to RM4.0 million in FYE 2022 due to the larger client base we are serving now.

The remaining top-line recorded in FYE 2022 was attributed to the sale of electricity from our 1MWp-plant in Pokok Sena, Kedah at RM1.7 million.



MANAGEMENT DISCUSSION

AND ANALYSIS

(cont'd)

The Group's gross profit ("GP") dropped from RM41.1 million in FYE 2021 to RM34.9 million in FYE 2022, which was in tandem with the revenue decline. GP margin for the period under review stood at 19.9%, expanding by 1.6 percentage points from FYE 2021. The rise was attributed to the favourable mix of project phases, negating the higher material input costs.

Profit before taxation ("PBT") decreased from RM22.7 million in FYE 2021 to RM11.0 million in FYE 2022. PBT margin compressed from 10.1% to 6.3% over the same period. This was mainly caused by higher administrative expenses due to workforce expansion, relocation to a new headquarters, and one-off transfer of listing expenses. At the same time, other income was lower in FYE 2022 due to the absence of a one-off reversal of impairment losses on trade receivables which contributed RM1.4 million in the preceding year.

Finally, the Group registered a profit attributable to the owners of the Company ("PATAMI") of RM6.9 million in FYE 2022, which was 57.1% lower YoY. Our PATAMI margin was 3.9% for the period under review versus 7.2% a year before. The drop was attributable to the same reasons as explained in the prior paragraph about our PBT performance.

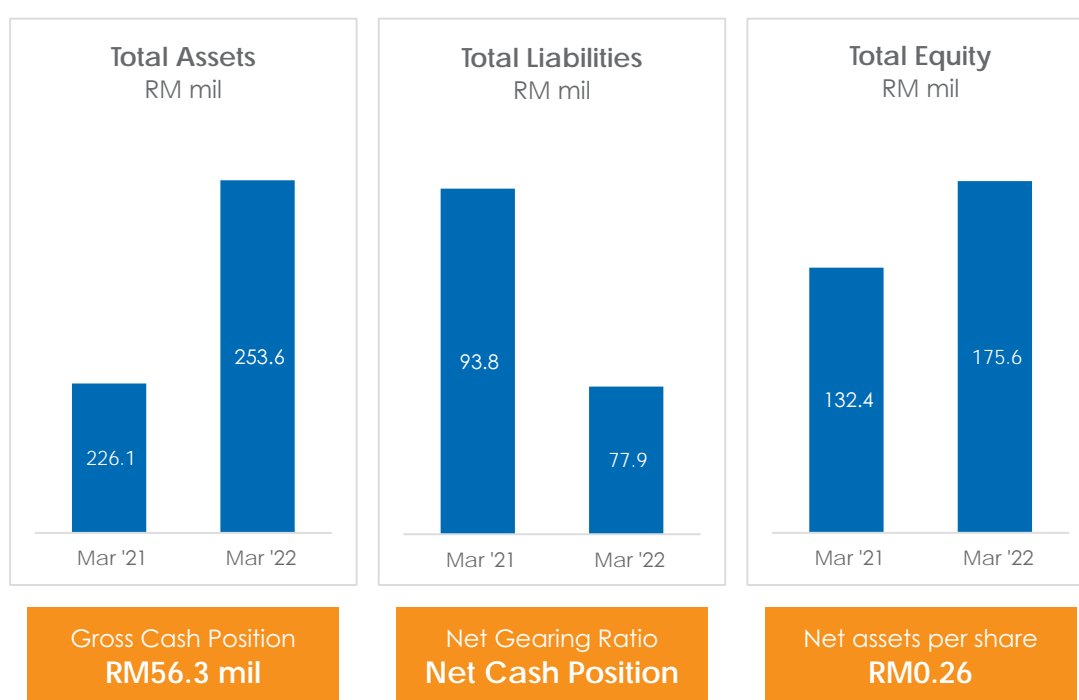
BALANCE SHEET: LIQUIDITY AND CAPITAL RESOURCES

The Group maintained an overall healthy balance sheet at the end of FYE 2022. Its total assets increased from RM226.1 million as at 31 March 2021 to RM253.6 million as at 31 March 2022 with total cash holdings standing at RM92.2 million and RM56.3 million on the respective dates.

Meanwhile, total liabilities dropped from RM93.8 million at the end of FYE 2021 to RM77.9 million at the end of FYE 2022. Total borrowings increased marginally from RM14.0 million to RM17.7 million over the same period.

Total equity ended up higher at RM175.6 million as at 31 March 2022 versus RM132.4 million a year ago. The increase was chiefly attributed to the RM34.8 million raised from the second and final tranches of our private placement exercise in FYE 2022.

The Group was at a net cash position of RM38.6 million as at 31 March 2022, compared to RM78.2 million last year. The net cash position will allow the Group room to tap into the debt market in the future to fund its expansion plans.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

CORPORATE DEVELOPMENT

Private Placement

After successfully raising RM38.7 million from the first tranche of private placement in FYE 2021, Solarvest completed the private placement exercise in FYE 2022 with the issuance of 30.0 million and 3.6 million new ordinary shares through its second and final tranches respectively. From that, the Group added a further RM34.8 million to its war chest, of which, RM27.4 million is set aside for the investment in solar PV projects and RM7.2 million for working capital requirements.

Main Market Transfer

In October 2021, Solarvest has successfully transferred to the Main Market of Bursa Securities, becoming the first pure-play solar company to do so. The migration will indirectly open doors for greater opportunities when it comes to raising capital in the future.

RISK FACTORS

In the midst of growing Solarvest, we remain cognizant of the risks associated with our business and are constantly working on mitigating measures to ensure the sustainability of our business.

Dependence on government policies

Being in the energy business, we operate in a highly regulated environment due to the necessity and importance of the service. Guidelines from programmes such as Net Offset Virtual Aggregation (“NOVA”), tax incentives, subsidies, and the degree of liberalization have direct implications on the financial performance of the Group.

Our regular engagement with relevant authorities means that we are constantly kept abreast with the latest developments in the industry including anticipated policy changes.

Competitive industry environment

Competition in the solar industry has intensified over the years with many new players entering the market both in the EPCC space and asset development. Tariff rates have also fallen as a result, reducing the return on investment for asset developers.

In the EPCC space, while there may be more companies participating in tenders, we believe our experience in handling and delivering multiple projects especially those under the LSS programme, as well as our integrated solutions which encompass O&M, insurance coverage, and financing solutions via Powervest will continue to provide us with an edge over the newcomers and other players. In the asset development field, projects are still financially feasible and are expected to remain so. As an EPCC player, we have better leeway in managing our own project costs compared to other players who do not.

Moving forward, we are also diversifying our business to other related areas within the renewable energy sphere and geographical regions which will lessen our concentrated exposure to the solar industry of Malaysia.

Rising input costs

The rise of input material costs, partly due to the weakening of Ringgit Malaysia continues to pose a threat to our financial performance. Commodities such as polysilicon, copper, aluminium, and so on have an ultimate bearing on the Group's project costs and the overall financial results.

MANAGEMENT DISCUSSION

AND ANALYSIS

(cont'd)

Rising input costs (cont'd)

While fluctuations in commodity prices and foreign exchange rate movements are beyond our control, we are proactive in procurement and inventory management practices to mitigate the volatility of input material costs. For example, we source our solar PV modules from various suppliers and usually engage in bulk purchases due to the large volume of contracts we have in hand at any point in time. Further, the Group hedges its foreign currency-denominated trade payables to reduce exposure to fluctuations in foreign exchange rates.

Overseas expansion and investment

The Group is geared toward pursuing overseas growth by strengthening its regional footholds in the Philippines, Taiwan, Vietnam, and Indonesia. The move will help the Group reduce its reliance on a single market as regulatory frameworks, political climates, and business operating environments are different in each market. Nonetheless, such an expansion involves many uncertainties and requires significant capital outlay. While the Group has exercised and will continue to exercise due care in carrying out its overseas expansion plans, there can be no assurance that these investments will be recouped.

PROSPECTS

Industry

We remain optimistic about the prospects of the local solar PV industry. In December 2021, the Ministry of Energy and Natural Resources of Malaysia ("KeTSA") and the Sustainable Energy Development Authority (SEDA) have launched the MyRER for 2022 to 2035. The roadmap outlines a strategic framework for the country to achieve its aspiration of reaching 31% renewable energy mix by 2025, and 40% by 2035. Out of the renewable energy capacity to be added, solar energy is slated to make up 80%. The plan is also in line with the nation's goal of achieving net-zero greenhouse gas emissions as early as 2050 and climate change commitment under the Paris Agreement.

Strong Unbilled Order Book

Over the next two (2) financial years, the Group will be focusing on converting its unbilled order book of about RM727.0 million into revenue and earnings. With Malaysia now working towards the endemic phase and its borders fully reopened, we are fairly confident that financial year ending 31 March 2023 ("FYE 2023") will be a much smoother year for us in terms of operations. In the absence of these disruptions, we are ready to go full tilt and execute our projects as planned.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Clean Energy Specialist

In early 2022, we unveiled our 5-Year Strategic Roadmap (2022 to 2026) with the overarching theme of transforming Solarvest from a pure-play solar company into a clean energy specialist. Under the plan, we have set out three strategic growth pillars to guide the Group in this new phase of expansion.

Pillar 1: EPCC and O&M

We intend to maintain our top quartile market position in the solar EPCC space in Malaysia. In the next five (5) years, we are also targeting to make an impact in the Asia Pacific region. Our primary focus remains in our existing markets of Malaysia, Taiwan, and the Philippines. In Malaysia, we are currently tendering for projects with approximately 640 MWp of cumulative capacity, including pockets of opportunities in East Malaysia. In Taiwan, we have acquired a 49.0%-stake in Xu Guang Corporate Limited, a subsidiary of Hsinjing Holding Corporate Limited, which will serve as the special purpose vehicle to develop 500 MW solar projects by 2025. Whereas in the Philippines, we will continue to explore and tender for projects as we believe in the long-term potential of the market. In addition, we are eyeing two (2) new markets, namely Vietnam and Indonesia, as part of our geographical expansion and are in talks with a few local players to partner with in this new journey.

The Group will enhance its O&M segment further through the adoption of cutting-edge technologies to support this ambitious growth. Among the areas we are exploring include drone technology to maximise our pre-construction efficiency and robotic cleaning technology to ensure optimal performance.

Pillar 2: Asset Development

Solarvest intends to diversify and expand its exposure across the solar energy value chain to become an asset developer and owner of solar PV plants through brownfield and greenfield investments. Aside from the 50.0 MWac capacity from the LSS4 scheme, the Group is further exploring projects under the net energy metering 3.0 (NEM 3.0) programme in Malaysia. Specifically, the Group is looking to capitalise on the 300.0 MWac of added quota for the NOVA category announced by KeTSA in October 2021. In the near future, we are anticipating the rollout of a virtual PPA model. In turn, the liberalization of energy could spark higher growth in the renewable energy space.

Our ambition to become an energy producer also extends to Taiwan, the Philippines, Indonesia, and Vietnam. Beyond solar energy, other sources of renewable energy such as biomass, biogas, and mini-hydropower plants are also under our radar.

By the end of the 5-year plan, Solarvest targets to develop 1.0 gigawatt of renewal energy capacity across five countries.

Pillar 3: New Sustainable Solutions

We believe that the world needs to build a coherent clean energy ecosystem, one that is able to optimize efficiencies greatly, in order to reach global climate goals. Through the roadmap, the Group is expanding into new sustainable solutions or clean energy verticals with exposure to businesses such as:

i. Energy Efficiency

Energy Efficiency can swiftly reduce the usage of brown energy in this transitory phase. In this business, Solarvest is looking at energy monitoring systems (EMS), retrofitting and optimizing the heating, ventilation, and air conditioning (HVAC) systems in buildings, heat energy recovery, and district cooling, to name a few. We are expecting to kick start this venture as early as FYE 2023.

ii. Battery Energy Storage System

Intermittency is a drawback of solar energy as the average peak sun hours is only at 4 hours in most places. Therefore, the storage of energy is crucial to ensure its reliability as a main source of power. Solarvest is targeting to introduce energy storage system applications for utility-scale usage, microgrids and off-grids, as well as buildings.

MANAGEMENT DISCUSSION

AND ANALYSIS

(cont'd)

Clean Energy Specialist (cont'd)

iii. Renewable Energy Certificates ("RECs")

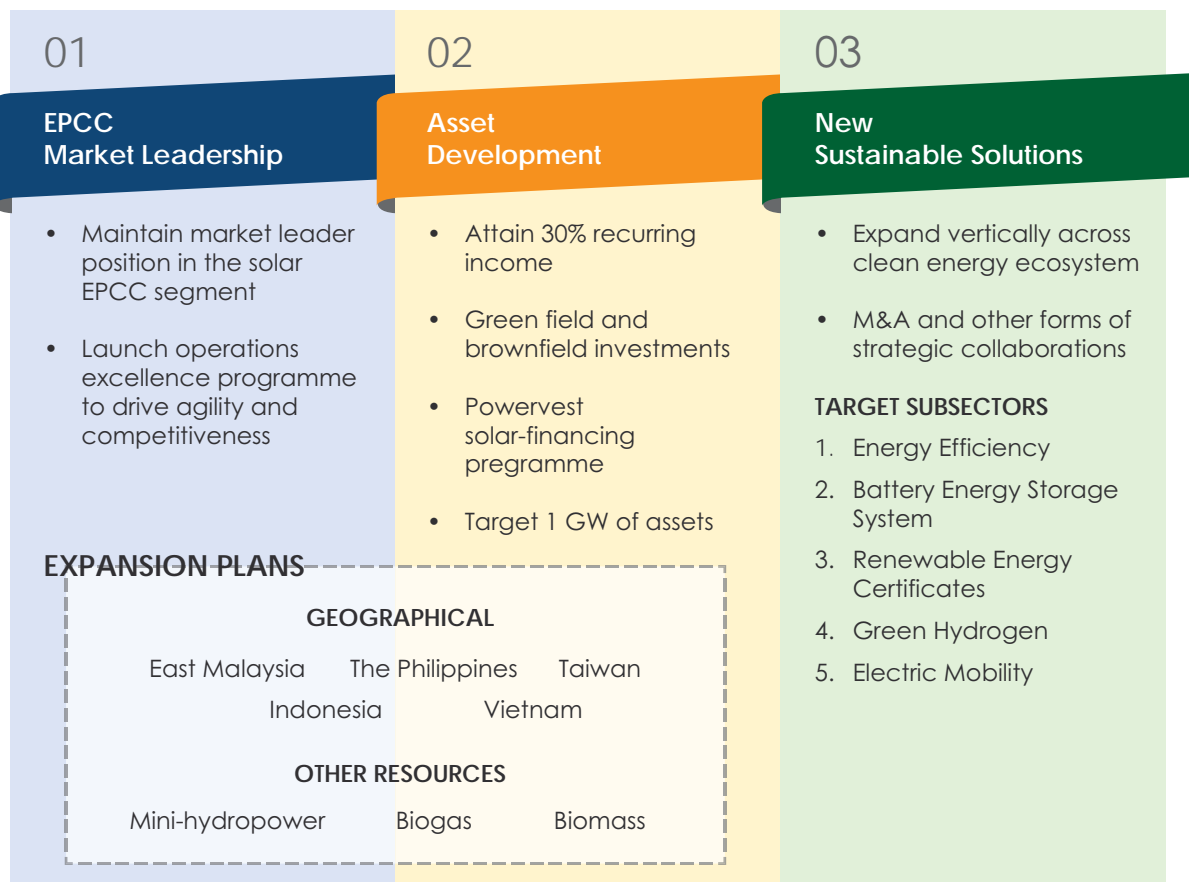
The Group is looking to establish its own RECs trading services or platform. RECs is a market-based instrument which certifies the ownership of electricity generated from renewable energy sources. RECs can be traded in the market to entities with no direct usage of green energy as a form of carbon credit to offset emissions related to their electricity purchase.

iv. Green Hydrogen

As a storer of energy, hydrogen-based fuels are transportable. Green hydrogen is created through the use of renewable energy to electrolyse water. These fuels can subsequently be exported to areas that lack renewable energy or energy in general. At Solarvest, we are exploring possibilities of producing green hydrogen using our future solar farms.

v. Electric Mobility

This vertical focuses on building an electric vehicle ecosystem. We plan to design, build and operate charging infrastructure across the country which will be integrated with solar energy, battery solutions, and so on.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

CLOSING REMARK

All in all, we are upbeat about the renewable energy industry going forward. While there are certainly short-term obstacles from ongoing geopolitical tensions and the supply chain disruption caused by the pandemic. We believe the said events will act as a catalyst for the acceleration of clean energy around the globe as it is comparatively less dependent on commodity cycles and gives greater liberty to each country in its energy production.

Solarvest will be growing aggressively on multiple fronts in the years ahead. One that not only includes geographical expansion but the exposure that spread across the entire clean energy ecosystem. With that, we are expecting to collaborate with other experts in their respective fields, potentially even looking at mergers and acquisitions activities. Hence, these are truly exciting times for the Group and we hope you will continue to journey with us as we play our part in shaping the future of energy.

LIM CHIN SIU

Managing Director

TAN CHYI BOON

Executive Director

CHONG CHUN SHIONG

Executive Director cum
Group Chief Executive Officer

SUSTAINABILITY STATEMENT 2022

CLEAN ENERGY, THE FUTURE OF SUSTAINABILITY

Sustainability covering Environmental, Social and Governance (“ESG”) has risen to become a top corporate agenda amongst the public listed companies in recent years. With no exception, Solarvest Group took ESG seriously in its journey towards long-term sustainability to futureproof its businesses and operations.

The Board is pleased to present the third (3rd) Sustainability Statement (“Statement”) for the FYE 2022. This Statement shall illustrate our sustainability values in action, specifically on our footsteps in achieving business sustainability, managing environmental footprints and contributing to the local community as a whole.



SCOPE OF THIS STATEMENT

This Statement covers the Group’s sustainability efforts and performances within the operations in Malaysia, unless otherwise specified. Sustainability information disclosed in this Statement are for activities carried out between 1 April 2021 to 31 March 2022, unless otherwise specified.

ASSESSMENT OF MATERIAL MATTERS

An annual material matters assessment was conducted to revisit/identify the material matters relevant to the Group and our stakeholders. Please refer to our Material Matters Matrix within this Statement for further details.

BASIS OF THIS STATEMENT

This Statement was prepared based on all available internal information in accordance to the Main Market Listing Requirements (“MMLR”) of Bursa Securities relating to Sustainability Statements and its Sustainability Reporting Guide 2nd Edition.

FEEDBACK

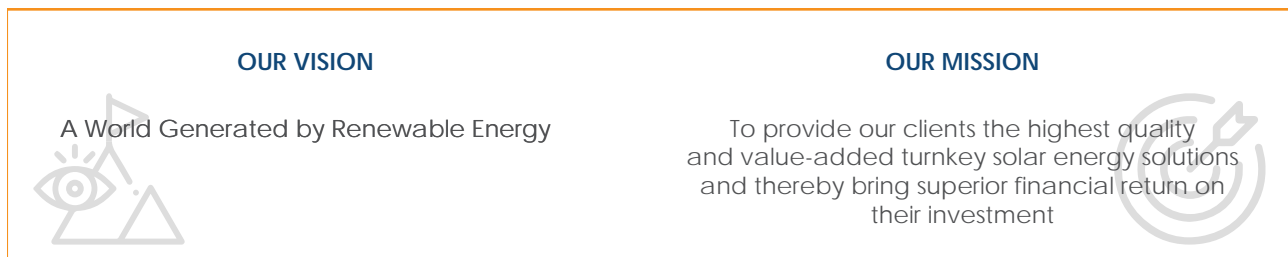
We welcome our stakeholders’ feedbacks and concerns to improve the sustainability measures and reporting standards. You may direct your feedbacks, enquiries or details to ir@solarvest.my.

SUSTAINABILITY STATEMENT 2022

(cont'd)

OUR SUSTAINABILITY COMMITMENT

Serving as a pure play solar PV specialist, Solarvest is dedicated to bringing a clean, green and sustainable world for all. We are delighted to ride on the opportunities from the global rising awareness on solar renewable energy towards sustainability development. Our passion in solar renewable energy and our sustainability commitment are embodied in our vision and mission, and deep-rooted in our corporate culture.



OUR SUSTAINABILITY GOVERNANCE

An effective integration and development of sustainability measures requires dedicated leadership, clear direction and strategic influence, where all are driven by a robust sustainability governance structure. In Solarvest, our sustainability management is integrated to our overall business management, with the governance structure as shown below: -



We have adopted a "tone at the top" approach of which the Board acts as the main decision-making body and assumes the overall responsibility for the stewardship and oversight of the Group's sustainability strategies and performances. While the Board is responsible for the Group's overall sustainability affairs, the Board is supported by four (4) Board Committees. The Audit Committee and Risk Management Committee are responsible to review the adequacy and effectiveness of the Group's risk management and internal controls system while the Remuneration Committee and Nominating Committee are empowered to track the Group's overall performance.








SUSTAINABILITY

STATEMENT 2022

(cont'd)

STAKEHOLDERS ENGAGEMENT

Engagement with various stakeholders is essential in driving an inclusive sustainability agenda. It allows us to gain a greater depth of understanding on our materiality matters whilst, to capture the key aspects and impacts of our sustainability journey. We endeavour to strike the right balance in the expectations and needs of our various stakeholders.

Stakeholders	Areas of Interest/Material Matters	Engagement Approaches
 Shareholders/ Investors	<ul style="list-style-type: none"> ➤ Returns on investment and associated risks ➤ Financial and operational performance ➤ Corporate governance and business development 	<ul style="list-style-type: none"> ➤ Quarterly financial results ➤ Annual report ➤ General meetings ➤ Announcements on Bursa Securities website ➤ Press releases ➤ Company website and social media platforms ➤ Investor briefing sessions
 Employees	<ul style="list-style-type: none"> ➤ Career advancement ➤ Human resources development ➤ Occupational health and safety ➤ Competitive remuneration and benefits 	<ul style="list-style-type: none"> ➤ Training and development programme ➤ Performance evaluation and appraisal ➤ Engagement with Management ➤ Company events
 Customers	<ul style="list-style-type: none"> ➤ Products and services quality assurance ➤ Customer satisfaction ➤ Technological and operational innovation ➤ Competitive pricing and on-time delivery 	<ul style="list-style-type: none"> ➤ Advertisement and marketing events ➤ Face-to-face interaction ➤ Customer satisfaction and feedback survey ➤ Company website and social media platforms
 Suppliers	<ul style="list-style-type: none"> ➤ Sustainable business relationship ➤ Supplier selection and credit terms ➤ Fair and transparent procurement practices 	<ul style="list-style-type: none"> ➤ Annual supplier evaluation ➤ Email communication ➤ Face-to-face interaction
 Government	<ul style="list-style-type: none"> ➤ Regulatory compliance ➤ Licenses and permits ➤ Corporate governance 	<ul style="list-style-type: none"> ➤ Compliance audit ➤ Licenses and permits renewal ➤ Meetings and visits ➤ Announcements on Bursa Securities website
 Community	<ul style="list-style-type: none"> ➤ Domestic job opportunities and economic support ➤ Community wellbeing ➤ Environmental impact from business operations 	<ul style="list-style-type: none"> ➤ Company website and social media platforms ➤ Corporate social responsibility ("CSR") programmes
 Analyst/Media	<ul style="list-style-type: none"> ➤ Financial and operational performance ➤ Share price performance ➤ Business development and expansion ➤ Corporate governance 	<ul style="list-style-type: none"> ➤ Quarterly financial results ➤ Annual report ➤ Meetings and interviews ➤ Company announcements and press release ➤ General meetings

SUSTAINABILITY STATEMENT 2022











(cont'd)

SUSTAINABILITY STRATEGIES AND MATERIAL MATTERS ASSESSMENT

With the understanding gained from stakeholders' engagement, an annual material matters assessment was conducted to revisit/ identify the material matters relevant to the Group from four (4) key aspects, namely Economic, Environmental, Social and Governance ("EESG"). This year, we have segregated the Governance aspect from our Economic pillar to show our emphasis on the conduct of ethical business practices and regulatory compliance management.

We have undertaken a similar approach adopted in the past for the assessment on the Group's material matters via the process of identification, assessment, prioritisation and ranked fourteen (14) key areas which matter the most to the Group and our stakeholders.

With the identified material matters, we have then taken into consideration the 17 Sustainable Development Goals ("SDGs") introduced by the UN Member States in formulating our sustainability strategies. We have mapped nine (9) SDGs to our material matters and sustainability strategies, as illustrated in the following table and Material Matters Matrix: -

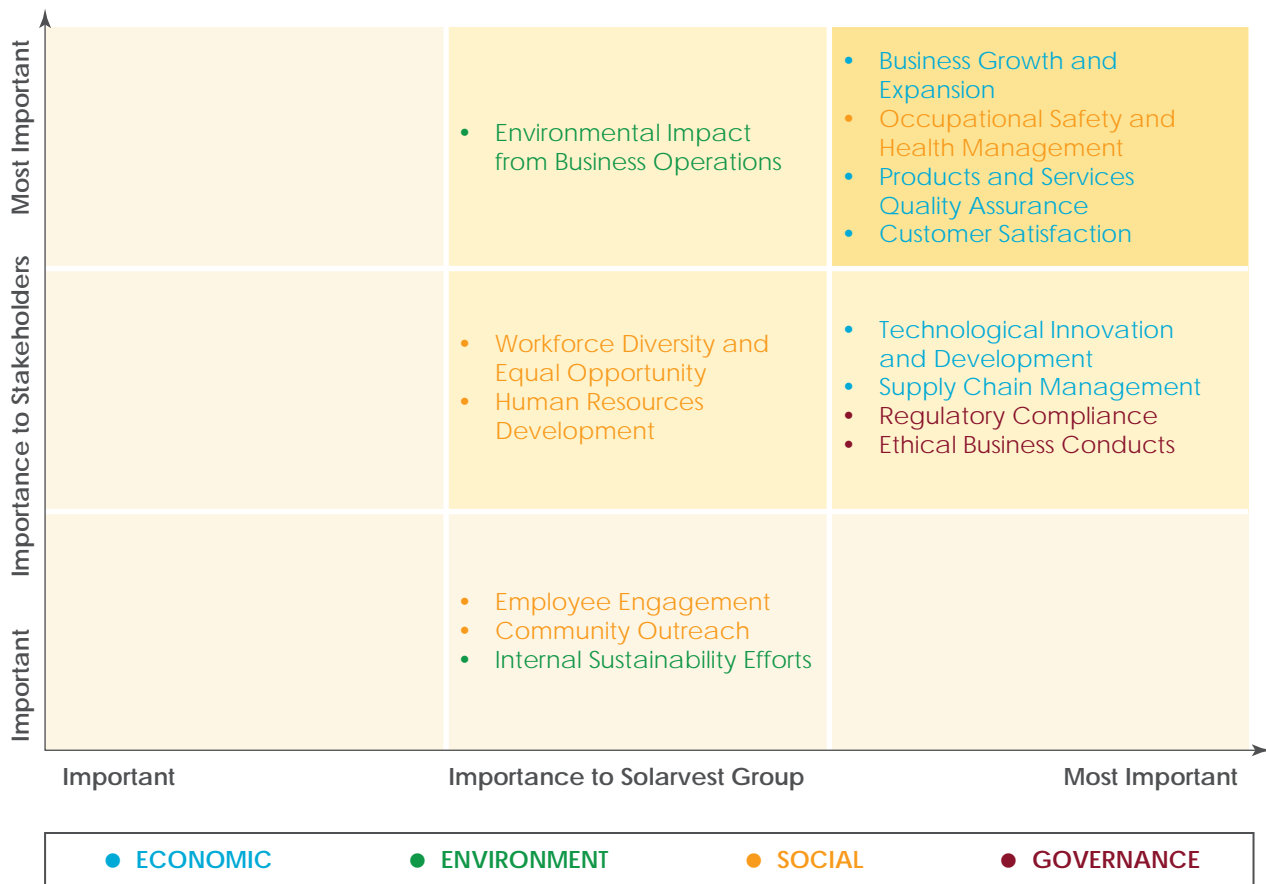
	Material Matters	Sustainability Strategies	SDGs
Economic	<ul style="list-style-type: none"> Business Growth and Expansion Technological Innovation and Development Products and Services Quality Assurance Customer Satisfaction Supply Chain Management 	<ul style="list-style-type: none"> Business blueprint to expand and sustain the Group's business and maximise economic value. Continuous engagement with and assessment on reliable suppliers to deliver quality products and services to customers. 	  
Environmental	<ul style="list-style-type: none"> Environmental Impact from Business Operations Internal Sustainability Efforts 	<ul style="list-style-type: none"> Proactive promotion of the usage of solar PV and green actions both externally and internally to protect and preserve the environment. 	  
Social	<ul style="list-style-type: none"> Workforce Diversity and Equal Opportunity Occupational Safety and Health Management Human Resources Development Employee Engagement Community Outreach 	<ul style="list-style-type: none"> Development of an inclusive workplace with on-going training programmes and company activities. Contribution to local communities through donations and CSR programmes. 	  
Governance	<ul style="list-style-type: none"> Ethical Business Conducts Regulatory Compliance 	<ul style="list-style-type: none"> Strict adherence to all applicable laws and regulations. 	

SUSTAINABILITY STATEMENT 2022

(cont'd)

SUSTAINABILITY STRATEGIES AND MATERIAL MATTERS ASSESSMENT (CONT'D)

Material Matters Matrix



ECONOMIC

BUSINESS GROWTH AND EXPANSION

Target: To grow and expand our business continuously

Over the past decades, we have seen a strong call for the adoption of renewable energy both globally and domestically to power a safer future. Global warming and climate change are now the major challenges in view of its impacts that is global in scope and unprecedented in scale.

In line with the global sustainability initiatives such as execution of Paris Agreement on climate change and advocacy of SDG 7 that promote access to affordable, reliable, sustainable and modern energy for all, the Malaysian Government has also put in place several initiatives/ programme to support the growth of solar renewable energy in Malaysia, including LSS@MENtARI and Net Energy Metering ("NEM").

The KeTSA has also recently launched the MyRER for 2022 to 2035 to achieve the national aspiration of 31% renewable energy capacity by 2025 and 40% by 2035, of which solar energy is slated to become the dominant up to 80% of the renewable energy source in the system.

TARGET 7-2

INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY

SUSTAINABILITY STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

BUSINESS GROWTH AND EXPANSION (CONT'D)

Target: To grow and expand our business continuously (Cont'd)

Solarvest, being one of the major players in the solar industry, is eager and delighted to ride on this arising opportunity to grow and expand our business continuously with the aim of achieving economic sustainability. Subsequent to our debut listing in 2019, we have accomplished another significant milestone with the successful transfer from the ACE Market to the Main Market of Bursa Securities in FYE 2022, along with several key business growth and initiatives carried out during the financial year as follows: -

(i) Solarvest 5-Year Strategic Plan

With SDG Target 8.1 in mind, Solarvest has on 5 March 2022 launched its 5-year strategic roadmap to transform the Group from a pure-play solar PV company into a clean energy specialist with holistic offerings of renewable energy and low-carbon solutions. This shall synergise the Group's existing competency and market share in the solar industry to establish a robust foothold across the clean energy value chain so as to achieve a sustainable economic growth.

Under the 5-year roadmap, we are focusing on three (3) pillars of business growth, namely: -

- Maintaining the group's market leader position in solar PV projects;
- Expanding asset development and ownership in Malaysia, Indonesia, the Philippines, Taiwan and Vietnam with the target to generate a total of 1,000 MW of renewable energy capacity including other renewable energy sources such as biogas and mini-hydro; and
- Vertical expansion across the clean energy ecosystem, with the Group looking to venture into energy storage systems ("ESS"), energy efficiency ("EE") solutions, low-carbon mobility, an international trading platform for renewable energy certificates ("REC"), green hydrogen and green data centres, among others.

In order to improve the viability of solar energy, the adoption of ESS would resolve the constraints of intermittent electricity from solar power that is only available during daytime hours. Furthermore, we also view the EE venture as our existing strong focus in the third (3rd) pillar, which include the offerings of AIoT solutions to manage energy consumption efficiently. In this regard, we have set up a new subsidiary, Solarvest EE Sdn Bhd, to offer energy saving solutions as well as the Energy Performance Contracts ("EPC") or Cooling as a Service ("CAAS") in order to provide Zero Capex model for our customers.

Our strategic business plan to transform into a clean energy specialist is illustrated as follows: -



SUSTAINABILITY

STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

BUSINESS GROWTH AND EXPANSION (CONT'D)

Target: To grow and expand our business continuously (Cont'd)

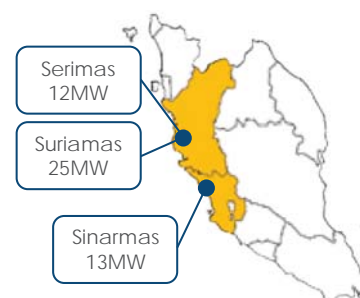
(i) Solarvest 5-Year Strategic Plan (Cont'd)

We recognise the enormous potential in the renewable energy industry driven by the rising populations, strong economic prospects and relatively low penetration of renewable energy in the current market, hence we are looking at becoming more than just a solar PV player. Various business growth and expansion strategies such as organic growth, mergers and acquisitions, collaborations and partnerships will be vital for the Group to achieve the abovementioned targets. Particularly, the third (3rd) pillar for vertical expansion is expected to be realised at a later phase in the 5-year plan when market viability improves.

(ii) Execution of Asset Ownership Project

With reference to preceding year's shortlisted bid in LSS@MEtARI for three (3) solar plants with a cumulative capacity of 50MWac, Solarvest, via its wholly-owned subsidiary, Atlantic Blue Sdn Bhd, has set up three (3) wholly-owned step-down subsidiaries, namely Sinarmas Energy (Api-Api) Sdn Bhd ("Sinarmas"), Serimas Energy (Manjung) Sdn Bhd ("Serimas") and Suriamas Energy (Maritime) Sdn Bhd ("Suriamas") to serve as special purpose vehicles ("SPVs") for the said project.

All three (3) SPVs had on 26 August 2021 signed the PPA with TNB to construct and operate solar PV energy generating facility for connection to TNB's medium voltage distribution network to be located at the relevant project sites under the LSS@MEtARI. Under the term of PPA, net energy output generated by the solar PV energy generating facilities will be purchased by TNB up to respective Maximum Annual Allowable Quantity. The signing of this PPA is expected to benefit the Group from respective scheduled commercial operation date for the span of 21 years.



(iii) Powering via Massive Solar Development

Largest Sustainable Affordable Township in Malaysia



On 25 August 2021, Solarvest has been appointed by Lagenda Properties Berhad ("Lagenda") as the solar PV systems partner to build the largest sustainable affordable township in Malaysia. In line with the Malaysian Government's recent launch of NEM Rakyat programme, we will install 1,000 residential solar PV systems across three (3) township projects developed by Lagenda in Perak.

Such installation shall benefit the local communities with direct access to clean energy which coincide with SDG Target 7.1 as well as our vision to create a world generated by renewable energy. Upon completion of the project, the three (3) townships are expected to generate approximately 2.8 GWh of green energy, which neutralises about 1,950 tonnes of carbon footprint per year. The partnership with Lagenda has enabled us to extend our footprint into the property market. This project is worth RM7.8 million and is expected to contribute positively to the Group's earnings in the next three (3) financial years.



SUSTAINABILITY

STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

BUSINESS GROWTH AND EXPANSION (CONT'D)

Target: To grow and expand our business continuously (Cont'd)

(iii) Powering via Massive Solar Development (Cont'd)

Largest Solar Power Plant in Perlis

On 1 September 2021, Solarvest has been awarded with another LSS project worth RM175.0 million under the LSS@MEnTARI programme by Classic Solar Farm Sdn Bhd ("Classic Solar") to develop a LSS plant in Chuping, Perlis. This EPCC project will generate 50MWac of solar power and is expected to be the largest solar power plant in Perlis with target to offset approximately 78,450 tonnes of carbon emissions per year. This project has contributed positively to the Group in FYE 2022 and will continue to benefit the Group until the completion of the project in the next two (2) financial years.

In FYE 2022, apart from the aforementioned LSS project with Classic Solar, we have also secured seven (7) other LSS4 projects with a total worth of RM397.0 million and a total capacity of 140MWac.

(iv) Introduction of Solar Financing and Solar Investment Insurance

On 22 September 2021, Solarvest has officially launched an all-new in-house solar financing programme, Powervest, to encourage the adoption of solar energy with a convenient, flexible and affordable way. Under Powervest, two (2) financing models are available for businesses, namely PowerFlex and PowerLease. With SDG Target 7.1 in mind, this solar financing programme has further demonstrated our commitment in promoting a wider access to solar energy for all.

Meanwhile, Solarvest had on 20 January 2022 entered into a tripartite Memorandum of Understanding with an insurance company, QBE Insurance (Malaysia) Berhad ("QBE") and an insurance intermediary, Anora Agency Sdn Bhd ("Anora") to offer the SolarPro Line-Stoppage insurance for solar PV investors. This insurance is designed to provide an additional layer of protection and assurance to PV investors for consequential loss that is not covered by ordinary comprehensive general liability insurance policies, including accidents or damages to the property during and after the installation, erection or construction of the PV system.

We believe that the collaboration with QBE and Anora is able to bridge the gap between the growing solar market demand and immature solar insurance coverage. With this collaboration, Solarvest will be the first solar company in Malaysia to offer the SolarPro Line-Stoppage insurance, thereby expanding our one-stop solar solutions with value added service.

(v) Overseas Business Expansion

In view of the good potential business opportunity arising from Taiwan Government's target of producing 20% renewable energy by 2025, the Group is still focusing on the expansion to Taiwan as our next key geographical market.

Solarvest (Taiwan) Corporate Limited, an indirect wholly-owned subsidiary of the Company, had on 6 December 2021 acquired 49% equity interest in Xu Guang Corporate Limited ("Xu Guang"). Xu Guang is a 51%-owned subsidiary of Hsinjing Corporate Limited ("Hsinjing") and it is currently carrying out a few solar projects with a total capacity of around 1MW in the development stage. Such acquisition enabled Solarvest to jointly execute solar projects with Hsinjing in Taiwan for a total estimated capacity of around 500MW by the end of 2025.

SUSTAINABILITY

STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

TECHNOLOGICAL INNOVATION AND DEVELOPMENT

Target: To improve business operations via technological innovation and advancement

Whilst the Group continues to perform research, development and integration of AIoT digital software, drone technology and robotic cleaning into the solar business, we had on 11 October 2021 launched the Solarvest Innovation Lab 2021 ("SIL 2021"), a start-up programme to spur innovation and entrepreneurship developments in Malaysia with particular emphasis on renewable energy, green technology and financial technology.

SIL 2021 reflects our commitment towards the SDG Target 9.5 where we offer platform and resources, including Seed Fund and Accelerate Fund, as well as mentorship for applicants to cultivate, implement, and commercialise their ideas.

On 4 January 2022, Solarvest has announced six (6) winners who are shortlisted under the Seed Fund stage in SIL 2021. We are enchanted with the inspiring ideas from the shortlisted candidates and will continue to work closely with them and provide adequate resources to realise their innovations. Concurrently, we also embrace the potential of investing in them in line with our business plan to transform from a pure-play solar PV solutions provider into a clean energy specialist.



PRODUCTS AND SERVICES QUALITY ASSURANCE

Target: To ensure and improve products and services quality continuously

Quality consideration was underpinned by our Group's mission in ensuring highest quality of products and services are offered to our customers in order to establish and maintain sustainable customer relationships. Stringent controls and requirements are in place across our business operations at all times to improve and/or maintain high standards of products and services rendered continuously.

Our core competencies are strengthened with the following licences and registrations in place: -

- G1, G4 and G7 Contractors with Construction Industry Development Board of Malaysia ("CIDB");
- Registered PV Service Provider with SEDA Malaysia;
- Registered Solar PV Investor under NEM Programme with SEDA Malaysia;
- Class A Registered Electrical Contractor with Energy Commission;
- Registered Vendor & Service Contractor with TNB;
- G7 Contractor with TNB; and
- Accreditation of MyHijau for "EPCC Services for Solar PV System" and "Engineering, Testing and Commissioning Services, Operation & Maintenance for Solar PV System".



SUSTAINABILITY STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

PRODUCTS AND SERVICES QUALITY ASSURANCE (CONT'D)

Target: To ensure and improve products and services quality continuously (Cont'd)

Our Quality Management System is also certified with the accreditation of ISO 9001:2015 since year 2017, under the scope of "Solar Energy Engineering Service Provider Including Design, Procurement, Construction and Maintenance Services".

To enhance our customers' confidence on the quality of our EPCC services, all EPCC customers are provided with a 2-year defects liability warranty period for residential, commercial and industrial and LSSPV projects.

We take responsibility to rectify any defects due to defective works under our EPCC scope within the defect liability period. The defects liability period is valid from the date of testing and commissioning or date of certificate of practical completion, depending on the contract terms.

There were two (2) defect liability claims in FYE 2022. Nevertheless, all defects have been appropriately rectified and all claims were fully reimbursed by our subcontractor.

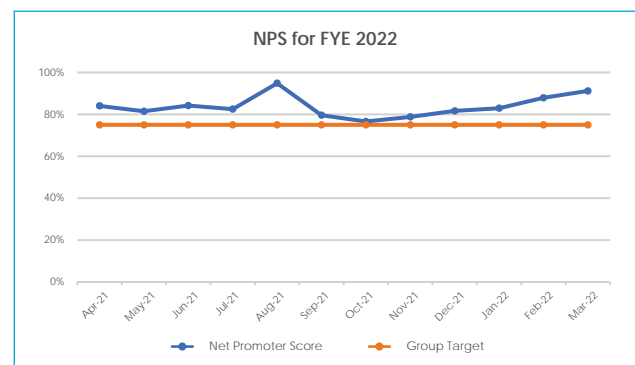
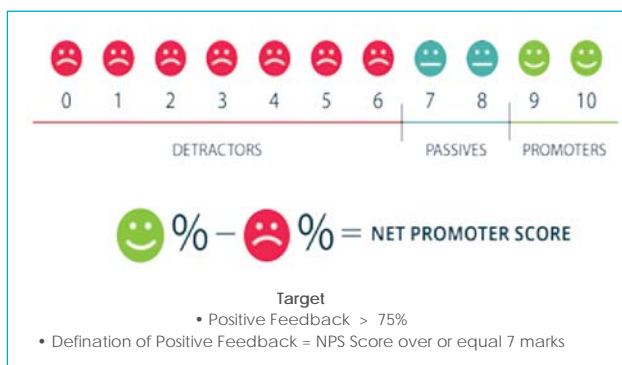


CUSTOMER SATISFACTION

Target: To meet 75% of Net Promoter Score

Customers' satisfaction, feedbacks and comments are pivotal for us to keep track of our products and services quality. This year, we continue to implement customer satisfaction rating system where ratings are collected by our customer service team via WhatsApp upon completion of our field services. The Net Promoter Score ("NPS") is manually calculated and then uploaded to our Enterprise Resource Planning ("ERP") System.

In order to maintain high quality of services rendered, we aim to reach the target of at least 75% of NPS. We are proud to highlight that we have been consistently achieving the target of at least 75% of NPS throughout FYE 2022. The average NPS in FYE 2022 is 84%.



In addition to NPS, we take all customers' feedbacks and comments, regardless positive or negative, in a constructive manner for our future improvements. All feedbacks and comments are directed to and addressed by our customer service team promptly and appropriately. We are glad to share that we have maintained a high level of customer satisfaction where no customer complaint was received during FYE 2022.

SUSTAINABILITY STATEMENT 2022

(cont'd)

ECONOMIC (CONT'D)

SUPPLY CHAIN MANAGEMENT

Target: To source from suppliers that meet our supplier evaluation rating & To support local purchases, where viable

An efficient and sustainable supply chain is vital for us to ensure consistent delivery of quality materials and services to our customers. Subcontractors and vendors are evaluated prior to being invited for job tenders through pre-qualification submission such as company profile and track record.

As certified by ISO 9001:2015, we are committed to perform yearly vendor evaluation, which cover the aspects of quality/workmanship, cost, delivery, terms of payment, cooperation/communication as well as safety and health. Any subcontractors and suppliers who do not meet our requirements will be ruled out to ensure our procurement quality. We are glad to inform that all vendors and subcontractors met our requirements and none of them were ruled out during FYE 2022.

As a responsible entity, we attempt to support our local economy by engaging with local vendors and subcontractors. We sourced raw materials such as cables and low voltage electrical system locally for our various projects.

TARGET 8-1



SUSTAINABLE ECONOMIC GROWTH

ENVIRONMENTAL

ENVIRONMENTAL IMPACT FROM BUSINESS OPERATIONS

Target: To build a greener future by increasing the number of solar PV system projects

Since 2012, we have been upholding the philosophy of solar energy with our vision to create a world generated by renewable energy. Solar power is more than just an energy source, we believe that the adoption of solar energy helps to balance between urban development and environmental preservation. With SDG Target 7.2 and 11.6 in mind, we endeavour to steer our solar business so as to shape a greener future.

In FYE 2022, we have secured 432MWp solar PV systems installation projects, which then recorded a total secured cumulative capacity of approximately 902MWp. As at 31 March 2022, the Group managed to achieve the target by completing a greater number of solar PV system installation projects with a total completed cumulative capacity of approximately 387MWp.

Based on our internal assessment, this could potentially translate to planting 13,146,346 trees on the mother earth or taken off an estimate of 39,469 cars from the road, which could effectively reduce the level of carbon dioxide ("CO₂") by an estimate of 289,219 tonnes.

TARGET 7-2

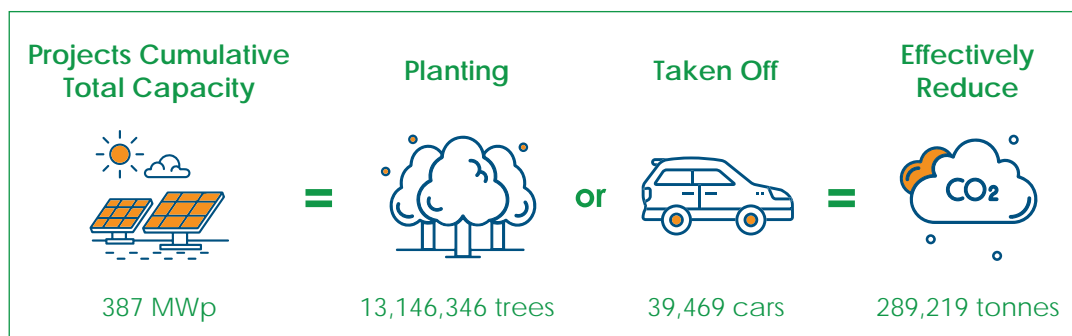


INCREASE GLOBAL PERCENTAGE OF RENEWABLE ENERGY

TARGET 11-6



REDUCE THE ENVIRONMENTAL IMPACT OF CITIES



SUSTAINABILITY STATEMENT 2022

(cont'd)

ENVIRONMENTAL (CONT'D)

INTERNAL SUSTAINABILITY EFFORTS

Target: To advocate responsible consumption of energy and resources

Whilst we foster the usage of green energy to the general public through our daily business, we also promote green concept within the organisation. This year, we have introduced an Office Environmental Policy along with the establishment of our internal Environmental Committee to facilitate the implementation of the said policy.



Our Office Environmental Policy is designed with the ultimate aim to reduce carbon footprints through efficient use of resources. The policy is made in line with the concept of SDG 12 to ensure sustainable consumption and production patterns. In accordance with SDG Target 12.5, we advocate "Better Recycling, Less Waste". This is a new initiative introduced within our Group where waste and recycling stations are installed around office areas for all employees' convenience to dispose the recyclable wastes easily.

TARGET 12.5



SUBSTANTIALLY REDUCE WASTE GENERATION

Within the Group, we have carried out the following green actions to protect our mother nature: -

 Reduce Paper Usage	 Improve Energy and Water Efficiency
<ul style="list-style-type: none"> ✓ Encourage the use of email communication; ✓ Print only the necessary information; ✓ Practice double-sided printing; and ✓ Reduce duplicate subscriptions of journals and magazines, whenever possible. 	<ul style="list-style-type: none"> ✓ Implemented an energy management system to monitor the Group's energy and water consumption; ✓ Switch off the air conditioner, lights, computers and other devices when not in use; ✓ Any device that is not feasible to switch off, standby or energy save modes are encouraged to be adopted in order to conserve energy usage; ✓ Maximise the usage of natural light, whenever appropriate; ✓ Encourage sharing transportation to attend physical meeting or outstation; and ✓ Integrate office software and technology to achieve operational and resources efficiency.

SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL

WORKFORCE DIVERSITY AND EQUAL OPPORTUNITY

Target: To embrace a diverse and multi-cultural workplace with equal opportunity & To keep annual staff turnover rate at 20% or below

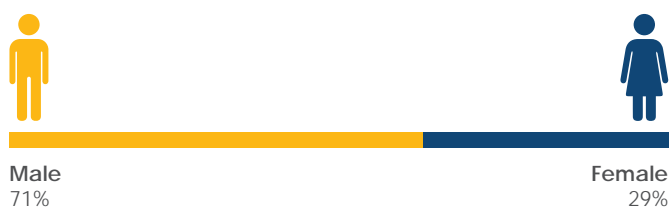
In advocating SDG Target 10.3, we strive to develop a dynamic and inclusive workforce with the right mix of talents from various cultural backgrounds, skills, experiences, gender, age group as well as religions. We strongly believe that such diversity inspires greater creativity and productivity which could serve a push for our business growth and sustainability.

It is our target to create a sense of belonging with a conducive and motivating workplace to attract and retain our talents so as to unleash their unlimited potentials.

Our workforce has further expanded in FYE 2022 in line with our Group's business growth. As at 31 March 2022, we have a total of 187 employees with multi-background, analysed as follows: -

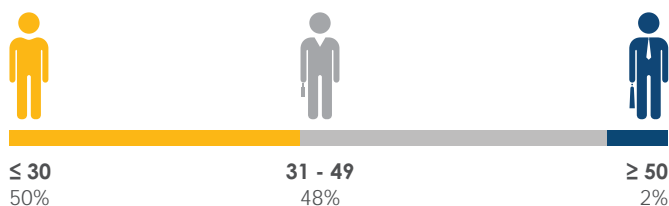


GENDER

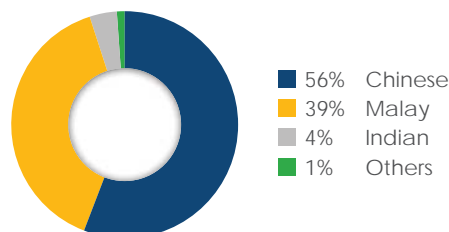


FOR FYE 2022
Total 187 Employees

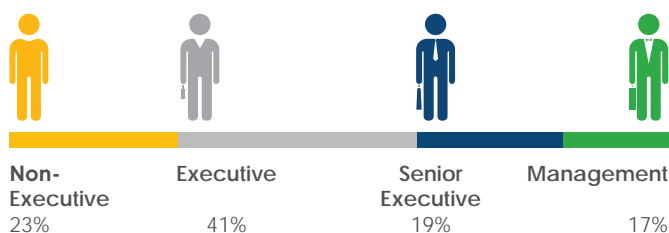
AGE GROUP



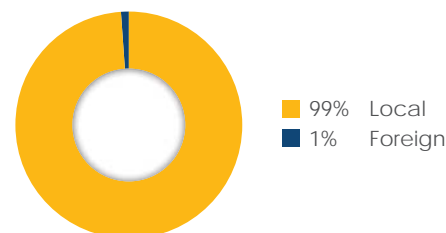
ETHNICITY



EMPLOYEE STRUCTURE



NATIONALITY



Our annual staff turnover rate has increased marginally by 1% from 29% in FYE 2021 to 30% in FYE 2022. We did not meet the target of keeping annual staff turnover rate at 20% or below in FYE 2022 mainly due to termination of contract staff following the completion of several projects, competitive market and employment market trend shift. Moving forward, we shall place greater efforts to recruit suitable candidates and retain the right talents.

SUSTAINABILITY

STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

Target: To provide an injury and accident-free working environment

Occupational Safety, Health and Environmental ("OSHE") Policy

Conforming to SDG 3 in ensuring healthy lives and promoting well-being for all at all ages, Solarvest places our people's safety and health as our utmost priority. Business sustainability is unachievable without the support of a healthy and productive workforce. Hence, we are dedicated to provide and maintain a safe and healthy working environment for our people especially workers at our project sites. We have reviewed our OSHE Policy during FYE 2022 in order to continually improve and also to fulfil with any latest legal compliance aspects.

Key OSHE Policy



To conduct operations in accordance to all applicable legal and other necessary requirements pertaining to occupational safety, health and environment at workplace.



To achieve injury and pollution free environment by creating strong OSHE awareness through high involvement from the Management and all level of employees.



To ensure all employees and relevant interested parties actively participate in all measures taken to eliminate hazards and reduce risks for prevention of work-related injury and ill health as well as prevention of pollution to protect the environment.

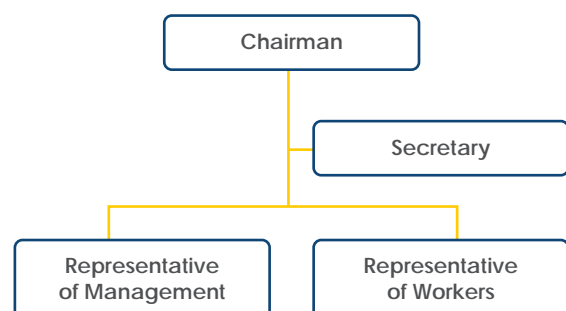


Top Management to support the implementation of the OSHE Policy by providing financial and physical resources as and when necessary and, where appropriate, by the provision of expert advice.

Safety and Health Committee

The Group's occupational safety and health affairs are governed by our Safety and Health ("S&H") Committee to ensure high level of safety and health standards are maintained at our workplace at all times.

Under the OSHE governance, the S&H Committee is chaired by the Head of Operation. Our Safety and Health Officer is serving as the secretary in the S&H Committee and there are equal numbers of representatives from both the Management and workers from various departments as the S&H Committee members.



SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT (CONT'D)

Target: To provide an injury and accident-free working environment (Cont'd)

Safety and Health Committee (Cont'd)

We are proud to highlight that, under our stringent OSHE management, we have achieved another year of zero work-related injury in the FYE 2022. Moving forward, we shall continue to maintain an injury and accident-free working environment for all employees to protect their health and safety.

In addition, we are proud to share that our commitments towards a stringent OSHE management have been proven by the accreditation of ISO 45001:2018 in the scope of "Solar Energy Engineering Service Provider including Design, Procurement, Construction & Maintenance Services" in September 2021.

Safety Trainings

In FYE 2022, "CIDB Training" and "National Institute of Occupational Safety and Health ("NIOSH") TNB Safety Passport – Level 1" were conducted continuously throughout the financial year. These trainings kept our employees well informed with the latest applicable rules and regulations in the solar engineering industry and enhance their safety awareness with the appropriate use of safety equipment at project sites.



In addition, internal safety programmes such as Toolbox Meetings, Safety Induction Session and Emergency Drill are also regularly conducted to highlight safety requirements and create awareness amongst the employees during the financial year.

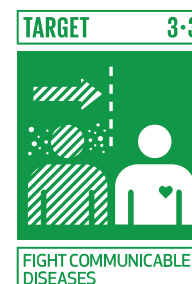
Covid-19 Precautionary Measures

Further to the Malaysian Government's announcement made in March 2022 for the transition from pandemic to endemic phase effective from 1 April 2022, we can now see the lights at the end of the tunnel after two (2) years of battling with Covid-19 pandemic. Nevertheless, the new normal lifestyle has already been fully embedded in our daily operations with high level of health consciousness. In spite of the transition into endemic phase in Malaysia, we will continue to align with SDG Target 3.3 and Target 6.2 so as to maintain good hygiene at our workplace: -

- Frequent cleaning and disinfecting at our workplace with special attention to common areas;
- Regular conduct of antigen rapid testing;
- Preparation of hand sanitisers for the ease of our employees and visitors who enter our premises; and
- Utilise IT communication tools to minimise physical travels and meetings.

In FYE 2022, we have incurred RM0.12 million in relation to Covid-19 precautionary measures. We regret to report that 54 employees were detected positive for Covid-19 during the financial year. Nevertheless, all of them have fully recovered.

As at 31 March 2022, all our employees have completed full vaccination of two (2) compulsory doses of vaccination.



SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

HUMAN RESOURCES DEVELOPMENT

Target: To provide an average of 20 training hours per employee per annum

Solarvest is cognisant on the importance of having continuous learning process to sharpen our skills and knowledge in order to cope and succeed in the evolving business environment. In our talent management, we focus on the manpower planning, talent acquisition, on-boarding and engagement, training and development, performance management as well as succession planning.

In FYE 2022, we have placed greater emphasis on training and development with a total investment amount of approximately RM0.14 million, a twofold increase as compared to FYE 2021.

Average Training Hours	
Management	35
Senior Executive	49
Executive	42
Non-Executive	28

On the other hand, FYE 2022 marks another year where we have not only achieved but exceeded our target of providing an average of 20 training hours per employee per annum.

Trainings Conducted in FYE 2022

Linking PMS with Compa-Ratio Infraspection Thermography Training Train the Trainer Malaysian Standard MS 2692:2020 Testing and Commissioning of Grid-Connected Photovoltaic System (GCPV) Sunissa Sdn Bhd v Kerajaan Malaysia	April 2021
Understanding the Covid-19 Vaccine Training Grant Application Process (eTris) OSH Coordinator Sharpening Customer Service Skills	June 2021
Mergers & Acquisitions Series	July 2021
PV101 : General Introduction to Photovoltaic Systems Managing Discipline & Domestic Inquiry	August 2021
Certificate in Business Communication Skills Power Purchase Agreement	September 2021
Certificate in Negotiating Skills Certificate in Strategic Presentation Skills Contract Administration in a Day	October 2021
OSH Coordinator Design Training Salary Structure & Compa-Ratio	November 2021
Key Account Management Leadership Mindset Situational Leadership	December 2021
O&M Workshop RoadMap to Succession	January 2022
Certified Energy Manager Training Course AutoCAD Training	February 2022
HRDC Panel Discussion: Reset & Redefine Corporate Liability Section 17A, MACC Act 2009 Performance Management & Review Training	March 2022
CIDB Training NIOSH TNB Safety Passport – Level 1	Throughout FYE 2022

SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

EMPLOYEE ENGAGEMENT

We are in cognisant that strong bonding amongst employees is crucial to support each other in the working environment. We strive to create a conducive and harmony working environment by engaging our employees with the following events and activities during FYE 2022: -

TOWNHALL SESSION



On 17 December 2021, we organized a townhall session with our employees to cascade down our Group's business plans and directions while allowing employees to express their ideas and opinions freely.

FESTIVAL CELEBRATIONS



Merry Christmas

Ho Ho Ho! May our employees be always blessed with peace and happiness. We had a warm and joyful Christmas celebration dinner together, and received present from our "Santa" boss!



Happy Chinese New Year

Roar! Year of tiger, year of vigor! In conjunction with the Chinese New Year celebration in office, we enjoyed the Chinese New Year dinner as well as lion dance performance.



Selamat Hari Raya

With a sense of belonging, we celebrated Hari Raya by putting on traditional Malay costume as the dress code of the day.

SPORTS



Office Sports Activities

Having a career, living a life. In Solarvest, we support work-life balance and we conduct several office sport activities, including football, badminton, futsal and frisbee.



Online Workout Session

Working from home, keep fit at home too! Workout session such as yoga, kickboxing and High Intensity Interval Training ("HIIT") were conducted together with our employees via Zoom.



Rock Climbing

We had also organised a rock-climbing event, which enhanced both our physical and mental strengths.

SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

EMPLOYEE ENGAGEMENT (CONT'D)

HOBBIES & OTHER ACTIVITIES



Drawing Class

Aside from connecting with each other in a sporty way, we also bond as a team in artistic way. We joined a drawing class session and unleashed our creativity together.



Mooncake Workshop

We had a memorable mid-autumn festival this year by learning to make snowskin mooncake together via Zoom. Making mooncake from scratch is never easy, yet, we made it!



Earth Hour

Turn off the lights for a brighter future. We participated this year's Earth hour on 26 March 2022 at 8:30pm to 9:00pm.

COMMUNITY OUTREACH

Target: To contribute and enrich the local community

In Solarvest, we care, we share. FYE 2022 was definitely not an easy year for many of us, yet, we come together and support each other. During the financial year, we have contributed approximately RM270,000 to support our local community: -

We have seen a surge in Covid-19 cases in mid-year of 2021 arising from the emergence of Delta variant. Solarvest, had on 6 August 2021, donated fifteen (15) units of patient monitors worth RM120,000 to Hospital Sultan Abdul Halim in Sungai Petani, Kedah, one of the admitting and treating hospitals for Covid-19 patients. Fast approaching full capacity in the hospital has posted a higher health threat and crisis to the public. Thus, we have made this donation to support our country's medical system in our best effort.



On the same 6 August 2021, we have also contributed 2,000 units of oximeters worth RM50,000 to the Penang Covid-19 Fund, managed by the Penang State Government, in order to help in fighting against the Covid-19 viruses.

SUSTAINABILITY STATEMENT 2022

(cont'd)

SOCIAL (CONT'D)

COMMUNITY OUTREACH (CONT'D)

Target: To contribute and enrich the local community (Cont'd)

On top of Covid-19 pandemic, our community was also heavily hit by the serious flood. In December 2021, Solarvest had supported the flood victims through donation made to Malaysia Floods CSR for Majlis Perbandaran Kuala Selangor, Solarvest Floods CS for Employees, MITI Prihatin Pasca Banjir and MSIA Fund Raising for Flood Victims amounting to a total of approximately RM30,000.



In Solarvest, we always uphold the principle of “We Care, We Share”. This year, we have further contributed to the local community by conducting the “Solarvest White Flag Campaign” to lend a helping hand to the community who needs assistance to overcome this difficult time. Solarvest CSR Team is here on action to support our local community with food aid.

While we focus on urban development to expand the adoption of solar energy widely, we also care about our rural development in Malaysia. Kampung Melai, Pahang, is a small rural area comprising a small group of Orang Asli. Solarvest, had on 15 October 2021, installed an off-grid solar-powered centre in Kampung Melai and now the residences can use solar energy to operate their farm with a digital inventory system, a computer and printer. They are now also having a place to charge their mobile phones!



In addition, we have contributed RM60,000 to Penang Future Foundation as a provision in scholarship to support our local talent youths in pursuing their further studies. We believe that such contribution benefits our future generations by nurturing them with more opportunities in pursuing their goals and brighter future.

Meanwhile, we have also contributed donation to several organisations including Rotary Club of Pudu and Kelab Bola Sepak Manjun City amounting to RM10,000.

Whilst supporting our future talents monetarily, we have our Solarvest Internship Programme to serve as a platform for the fresh graduates to explore themselves with actual working environment and real-life experiences. Several positions are available under our internship programme, including business development, corporate strategy, customer service, human resource, marketing, operation & maintenance, project construction, project design & development and project management. We cherish the tons of energy and unlimited potentials from the new bloods, and seek for the opportunity to retain the right talents as our permanent employees so as to grow together.

On a separate note, we are glad to share that we have been awarded with the 2021 Graduates’ Choice Award as the Top 5 Most Preferred Graduate Employers in Renewable Energy Category. We have also awarded with the 2021 Sustainability & CSR Malaysia Awards during FYE 2022.



SUSTAINABILITY STATEMENT 2022

(cont'd)

GOVERNANCE

ETHICAL BUSINESS CONDUCTS

Target: To promote ethical business dealings and behaviours

Solarvest Group is committed to ethical and transparent business conducts while upholding sound corporate governance at all times. To this end, the Group has enforced the Code of Conduct and Ethics ("the Code") to serve as a formal guideline for all employees within the Group to maintain the highest level of professionalism and integrity. The Code has covered several areas including dealing with external parties, money laundering, bribery and corruption, discrimination and harassment, conflict of interest, insider trading and etc.

Aligned to SDG Target 16.5, the Group is also committed to uphold our zero tolerance against any form of bribery and corruption. We have implemented the Anti-Bribery and Corruption Policy ("ABC Policy") in accordance to Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009. Such implementation is facilitated with the Group's Whistleblowing Policy where any wrongdoings or misconducts shall be reported accordingly. The whistleblower shall be protected by the Whistleblower Protection Act 2010. All the Code, ABC Policy and Whistleblowing Policy are made available on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.



We are pleased to report that no employees had been disciplined or dismissed, nor any public cases been brought against Solarvest Group and its employees due to non-compliance to the laws and regulations. Hence, no relevant fines, penalties or settlements imposed or made during the FYE 2022.

In an attempt to support good corporate governance, the Board, assisted by Company Secretary, had on 21 May 2021 reviewed the GAP Analysis on the compliance of the updated Malaysian Code on Corporate Governance 2021 ("MCCG 2021"). We strive to improve and maintain a sound compliance towards MCCG 2021 in our best effort basis. Further details on the relevant information are available in the Corporate Governance Overview Statement within this Annual Report as well as the Company's Corporate Governance Report.

REGULATORY COMPLIANCE

Target: To comply with all applicable rules and regulations

Company's Standard Operating Policies and Procedures ("SOPs") are established for all employees to abide with in order to ensure sound governance of our business. We are also adhering to all applicable laws, rules and regulations which are relevant to our business as well as industry as a whole.

All scheduled wastes generated from operations are properly disposed of by registered contractors to the approved treatment premises and disposal facilities. Meanwhile, non-hazardous solid waste, including construction waste and domestic waste, are disposed of at regulated landfills. We are glad to highlight that no breaches of laws and regulations was reported in FYE 2022 and hence, there was no penalty or fine imposed by any relevant regulatory authorities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board is cognisant of its accountability towards the sound corporate governance and ethical standards in the Group for the achievement of long-term success. The Board is committed to uphold high standards of corporate governance with the principles of transparency, integrity and professionalism in the best interest of both Solarvest and various stakeholders.

Pursuant to Paragraph 15.25(1) of the MMLR and guided by Practice Note 9 of MMLR, the Board is pleased to present this Corporate Governance Overview Statement ("CG Statement") setting the summary of the corporate governance practices applied by the Company during the FYE 2022 as prescribed under the Malaysian Code on Corporate Governance 2021 ("MCCG 2021"). This CG Statement takes guidance from the three (3) key corporate governance principles as per MCCG 2021, as follows: -

- Principle A: Board Leadership and Effectiveness;
- Principle B: Effective Audit and Risk Management; and
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Shareholders are advised to read this CG Statement together with the Corporate Governance Report which sets out the details on how the Company has applied each best practices as advocated by the MCCG 2021 during the financial year under review. The Corporate Governance Report is published on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1 Board Stewardship

1.1 The Board and the Group

The Board is primarily responsible for the long-term success of the Group as well as the long-term value creation for shareholders and all stakeholders for the wider impact that we have. The Board, serving as the highest decision-making body in the Company, has established the Group's vision, mission and corporate values with the consideration of shareholders' and stakeholders' interests in order to ensure that our obligations to shareholders and various stakeholders are understood and met.

In Solarvest, the Board is holding the collective responsibility for the entrepreneurial leadership of the Group, including the approval of the Group's strategic objectives as well as the allocation of necessary financial and other resources for such achievement. The Board has delegated the day-to-day business management to the Managing Director ("MD") and Executive Directors ("EDs"). They are responsible to implement the strategies approved by the Board and manage daily operations within the Group which include the evaluation of organizational effectiveness and operational performance with the appropriate allocation of resources for achieving the Group's strategic aims.

The management of the Company ("Management") is led by the MD with the assistance of EDs. They are responsible for the daily management of the Group's affairs and implement the strategic plan duly approved by the Board. The Independent Non-Executive Directors, who form the majority of the Board, play a significant role in providing an independent view, objectivity and scrutiny to the Board's deliberations and decision making by taking the consideration of the interests of shareholders and various stakeholders. At each Audit Committee meeting and Board meeting, the ED cum Group Chief Executive Officer ("Group CEO") will brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and developments. The Board to discuss and advise the Management in its formulation of the Company's business strategies, both short term and long-term.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

1 Board Stewardship (Cont'd)

1.1 The Board and the Group (cont'd)

The present Board structure ensures equal and well-balance of power and authority among all Directors and thus no dominant position in the Board. The Board Charter of the Company serves as a comprehensive reference document to provide Directors a greater clarity regarding their roles and responsibilities in the Board, which is made available on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

To facilitate an effective discharge of the Board's duties and responsibilities, the Board has delegated certain functions and authorities to the five (5) Board Committees, namely Executive Committee, Audit Committee, Nominating Committee, Remuneration Committee and Risk Management Committee. These Board Committees operate within their scope as per respective well-defined terms of references as approved by the Board and published on the Company's website.

1.2 The Chairman of the Board

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

The Chairman plays an active role in ensuring that all Directors are given equal opportunity to contribute their opinion in discussions, encourage active participation and that all matters on the agenda are addressed. The roles and responsibilities of the Chairman are detailed in the Board Charter, which is published at the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

1.3 Segregation of Duties among the Chairman and Group CEO

There is a clear and distinct segregation of roles among the Chairman of the Board and Group CEO to ensure a balance of power and authority and such that no individual has unfettered decision-making powers. In Solarvest Group, all two (2) leading roles are held by different individuals where the Chairman is Dato' Che Halin Bin Mohd Hashim, and the Group CEO is Mr. Chong Chun Shiong.

The Chairman is primarily responsible to lead the Board and is accountable for the collective oversight of management in Board effectiveness by focusing on strategy, governance and compliance. The Group CEO is responsible for the overall management and profit performance of the Group, including all day-to-day operations and administration within the framework of Company policies, reserved powers and routine reporting requirements.

The clear line of responsibilities for the Chairman and Group CEO is specified in the Board Charter on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

1.4 Separation of the Chairman from Board Committees

In compliance with Practice 1.4 of the MCCG 2021, the Chairman, Dato' Che Halin Bin Mohd Hashim, has relinquished his membership of the Remuneration Committee and Nominating Committee on 21 May 2021, and has also ceased to be the member of Audit Committee effective on 29 July 2021.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

1 Board Stewardship (Cont'd)

1.5 Qualified and Competent Company Secretaries

During the FYE 2022, the Board is supported by two (2) competent, adequately qualified and experienced Company Secretaries in providing sound governance advice to the Board, facilitating smooth Board process, ensuring compliance to applicable rules and regulations as well as advocating adoption of corporate governance best practices within the Group. Both Company Secretaries are the Fellow and Associate Members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretaries as prescribed under Section 235(2)(a) of the Companies Act 2016.

During the financial year, the Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their roles and responsibilities to ensure the effective functioning of the Board. The Company Secretaries play an active role in assisting Management with the preparation of all required documentation, minutes and updates for Board and Board Committee meetings. During the financial year under review, the Company Secretaries and the representative of the Company Secretaries attended all Board and Board Committee meetings. The Company Secretaries had and will continue to keep themselves abreast of the evolving capital market environment, developments in corporate governance, changes in regulatory environment and other pertinent matters through continuous training and industry updates. The Company Secretaries have also attended many relevant continuous professional development programmes to keep themselves abreast with the regulatory requirements and corporate governance development.

1.6 Access to Sufficient Information and Professional Support

To facilitate the conduct of Board and Board Committee meetings, notices of Board and Board Committees meeting together with the agenda, minutes of previous meetings, and other relevant supporting papers were circulated to all Board members at least five (5) working days in advance of the scheduled meetings. This shall ensure sufficient time for all Board members to review and deliberate on such matters and obtained further information and clarification, when required, to facilitate their decision-making process during the meetings.

All Directors have direct and unrestricted access to any information pertaining to the Group's business affairs, whether as a full Board or individually, and may seek independent professional advice on specific issues at the Company's expense in order for them to discharge their duties effectively.

All matters raised at the meetings, including discussion, deliberations, decisions and conclusions, were recorded in the meeting minutes which shall be circulated to the Board members in a timely manner thereafter.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

1 Board Stewardship (Cont'd)

1.6 Access to Sufficient Information and Professional Support (Cont'd)

Meeting attendance of all Directors at Board and Board Committee meetings are set out as follows: -

Board Meeting in FYE 2022

Directors	Board Meeting Attendance	Percentage of Attendance
Dato' Che Halin Bin Mohd Hashim	4/5	80%
Lim Chin Siu	5/5	100%
Tan Chyi Boon	5/5	100%
Chong Chun Shiong (<i>Appointed on 29/12/2021</i>)	1/1*	100%
Chiau Haw Choon (<i>Ceased on 7/7/2022</i>)	5/5	100%
Fong Shin Ni	5/5	100%
Gan Teck Hooi	5/5	100%
Azian Binti Mohd Yusof (<i>Appointed on 29/7/2021</i>)	3/3*	100%
Lee Hai Peng (<i>Appointed on 7/7/2022</i>)	-	-

Board Committee Meeting in FYE 2022

Directors	Audit Committee Meeting	Nominating Committee Meeting	Remuneration Committee Meeting	Risk Management Committee Meeting
Dato' Che Halin Bin Mohd Hashim	2/2*	-	-	-
Lim Chin Siu	-	-	-	-
Tan Chyi Boon	-	-	-	-
Chong Chun Shiong (<i>Appointed on 29/12/2021</i>)	-	-	-	3/3
Chiau Haw Choon (<i>Ceased on 7/7/2022</i>)	-	2/2	3/3	-
Fong Shin Ni	5/5	2/2	3/3	3/3
Gan Teck Hooi	5/5	2/2	3/3	2/2
Azian Binti Mohd Yusof (<i>Appointed on 29/7/2021</i>)	3/3*	-	-	-
Lee Hai Peng (<i>Appointed on 7/7/2022</i>)	-	-	-	-

* Reflects the number of meetings held during the time of the Director held office

All Directors have devoted appropriate level of time commitment and have complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated in MMLR.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

2 Demarcation of Responsibilities

2.1 Board Charter

Solarvest has adopted a Board Charter which clearly delineates the roles and responsibilities of the Board, Board Committees, individual Directors, the Chairman, Group CEO and Senior Management. The Board Charter has also outlined the issues and decisions that are solely reserved for the Board's approval.

The Board Charter is reviewed periodically as and when required to ensure its consistency with the Group's policies and procedures, the Board's overall responsibilities and changes in the regulatory environment. A copy of the Board Charter is published on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

3 Ethical Business Conduct and Sound Governance

3.1 The Code and ABC Policy

The Group takes a stance to conduct our business with the highest standards of ethics and integrity. In this regard, the Company has established and adopted the Code across the Group. The Code provides guidance to all Directors and employees to uphold high integrity in corporate governance compliance measures, including but not limited to managing conflicts of interest, bribery and corruption, insider trading as well as money laundering.

Furthermore, following with Section 17A of the MACC Act 2009 (Amendment 2018), the Group has also implemented the ABC Policy with the objective to govern the prevention of corruption and unethical practices so as to foster an ethical business environment.

The Board will review both the Code and ABC Policy regularly in order to ensure its relevance and appropriateness to the latest business and regulatory environments. Both policies are accessible on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

3.2 Whistleblowing Policy

As part of our effort to instill good corporate governance practice, the Board put in place the Whistleblowing Policy which serves as an avenue for all employees and stakeholders to raise concerns and disclose any known or suspected fraud, bribery, corruption, money laundering, conflict of interest, abuse of power and other improper conduct within the Group in order to take appropriate actions to resolve them timely and effectively.

Whistleblowers may report such wrongdoings without fear of retaliation should they act in good faith when reporting such concerns. Upon receiving reports from whistleblower, an investigation will be carried out by authorised personnel who is independent from the reported incident in an attempt to ensure an objective and independent investigation process to address the legitimate concerns raised. Whistleblowers who report in good faith are protected from risk of reprisal. Any harassment or retaliation against the genuine whistleblower is considered as 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 Whistleblowing Policy shall also be reviewed on a periodic basis to ensure that it remains relevant in line with the ever-changing regulatory environment. The policy is uploaded to the Company's website for public's reference at <https://solarvest.my/investor-relations/corporate-governance/>.

During FYE 2022, the Company has not received any report made by any whistleblower.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

4 Sustainability Management

4.1 Sustainability Leadership

As advocated by the latest MCCG 2021, the Board recognises the growing concern of sustainability in today's management. Solarvest Group, serving as a clean energy player in the renewable energy industry, has been always integrating the development of sustainability into our strategic planning. The Board assumes the ultimate responsibility for the Group's sustainability development and management. As such, the Board has set the Group's sustainability strategies, priorities and targets to support its long-term value creation from four (4) key aspects, namely EESG. The MD together with the EDs are entrusted by the Board to oversee the formulation, implementation and effective management of the Group's sustainability strategies. The Management has presented the five (5) years' strategies plan to the Board to further strengthen the sustainability framework within the organisation to support long terms value creation and sustainability goals.

4.2 Sustainability Reporting

The Board regards the stakeholders' engagement as an integral component in our sustainability commitment and hence take cognisance of the importance of having an appropriate disclosure to and communication with various stakeholders in relation to the Group's sustainability strategies, priorities, targets and performances. In this respect, the Management has presented the five (5) years' strategies plan to the Board to further strengthen the sustainability framework within the organisation to support long terms value creation and sustainability goals. The action plan of the Company under the five (5) years' strategies plan has identified an immediate term, short term and long term roadmap for the sustainability goals of the Group. The Management shall rely the five (5) years' strategies plan to address the Group's sustainability risks and opportunities from time to time.

Details of the Group's sustainability performance and efforts are stipulated in the Sustainability Statement 2022 within this Annual Report.

4.3 Sustainability Training

The Board fully recognises that sustainability issues evolve in line with the ever-changing business environment. Hence, the Board has taken initiatives to attend various training programs in order to keep themselves abreast of the latest sustainability trend and understand the latest sustainability issues. The Directors and the Management had attended several training programs to gather more insights on the sustainability issues.

The relevant trainings and programs as shown in the following: -

- a) TCFD102 Climate Disclosure Training Programme
- b) Total Climate Financing Disclosure (TCFD 102) UN SSE Initiative
- c) APAC Solar Energy Digital Event 2021 – Neoventure Corporation - Challenges and Opportunities of LSS4
- d) ASEAN Energy Utility Digital Week – Investment Opportunities in Renewable Energy: Solar Industry in Malaysia
- e) Property and Construction Sector Round Table II: Reducing Operational Carbon in the Built Environment - How Solar Energy can change our 2050 readiness
- f) KVC Webinar – Solar Powered Residential, a Move Towards Zero Carbon Life.

The Board is also supported by the Risk Management Committee for the review and assessment of the Group's risk management and internal controls system on a regular basis, covering the sustainability risks that the Group exposes to.

Details of training programmes attended by all Board members during FYE 2022 are outlined in Paragraph 5 in this CG Statement. The Nominating Committee is also tasked to identify and recommend relevant suitable training programmes for Directors to stay abreast with the industry developments and trends so as to understand the latest sustainability issues relevant to the Group, including climate-related risks and opportunities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

4 Sustainability Management (Cont'd)

4.4 Sustainability Performance Evaluation

The Nominating Committee has on 26 May 2022 conducted the annual assessments for the FYE 2022. In line with the best practice advocated by MCCG 2021, the Nominating Committee has recommended the Board to consider the inclusion of additional review in performance evaluations of the Board and Senior Management in addressing the Company's material sustainability risks and opportunities. The Board has agreed to include such review as part of annual performance evaluation moving forward.

4.5 Designated Person for Sustainability Affairs

The Company is not categorised as a "Large Company" and hence, the Company does not identify a designated person to provide dedicated focus to manage sustainability strategy. At present, the Group's sustainability management is integrated as part of our business management as a whole, instead of isolating sustainability management as a single distinct division.

II. BOARD COMPOSITION

5 Board Diversity and Objectivity

5.1 Nominating Committee

The Board realises that a diverse and inclusive Board will enhance the Board effectiveness as a whole. As such, the Board has established a Nominating Committee for the periodic review of Board composition and individual competences with the consideration including but not limited to core competency, integrity, character, time commitment and relevant experience to serve as Director of the Company. The duties and responsibilities of Nominating Committee have been stipulated in its term of reference on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

The Nominating Committee comprises a majority of Independent Non-Executive Directors with the present composition as follows: -

Position	Name	Directorship
Chairperson	Fong Shin Ni	Independent Non-Executive Director
Member	Lee Hai Peng (Appointed on 7/7/2022)	Non-Independent Non-Executive Director
Member	Gan Teck Hooi	Independent Non-Executive Director
Member	Chiau Haw Choon (Ceased on 7/7/2022)	Non-Independent Non-Executive Director

During the FYE 2022, the Nominating Committee had discharged their functions and duties appropriately, summarised as follows: -

- (i) Reviewed the present Board composition and made recommendation to the Board as regards to any changes, in their view, be beneficial to the Company and the Group;
- (ii) Recommended to the Board for the appointment of Puan Azian Binti Mohd Yusof as an Independent Non-Executive Director of the Company;
- (iii) Reviewed and recommended the composition of Board Committees to comply with the best practices as per MCCG 2021;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

5.1 Nominating Committee (Cont'd)

During the FYE 2022, the Nominating Committee had discharged their functions and duties appropriately, summarised as follows: - (cont'd)

- (iv) Assessed and evaluated the performance and effectiveness of the Board as a whole, Board Committees as well as individual Directors;
- (v) Reviewed and assessed the independence of Independent Non-Executive Directors;
- (vi) Reviewed and recommended on the re-election of retiring Directors at the forthcoming 5th Annual General Meeting ("AGM");
- (vii) Performed annual review on the terms of reference of Nominating Committee; and
- (viii) Reviewed the training programmes attended by all Board members during the FYE 2022 and assessed the training needs of all Directors to ensure that they are continually equipped with the necessary knowledge and skills for an effective discharge of their duties.

During the FYE 2022, the details of various training programmes attended by all Directors are as follows: -

Director	Seminars/Conferences/Training Programmes Attended	Date Attended
Dato' Che Halin Bin Mohd Hashim	TCFD102 Climate Disclosure Training Programme	9/3/2022
Lim Chin Siu	PowerUp – Key Account Management	3-4/12/2021
Tan Chyi Boon	PowerUp – Key Account Management	3-4/12/2021
Chong Chun Shiong	KVC Webinar – Solar Powered Residential, a Move Towards Zero Carbon Life	1/6/2021
	Asian Solar Summit – Country Showcase Panel: Malaysia	1/7/2021
	ASEAN Energy Utility Digital Week – Investment Opportunities in Renewable Energy: Solar Industry in Malaysia	6/7/2021
	The Solar Tender in Myanmar 2021 Webinar – Malaysian Solar PV Capabilities	8/7/2021
	Property and Construction Sector Round Table II: Reducing Operational Carbon in the Built Environment – How Solar Energy Can Change Our 2050 Readiness	16/7/2021
	Executive Education Program – Mergers & Acquisition	28/7/2021
	APAC Solar Energy Digital Event 2021 – Neventure Corporation – Challenges and Opportunities of LSS4	28/9/2021
	Malaysiakini – Swapping Coal: What's the Future's Energy Mix?	28/10/2021
	Sungrow and Longi – LSS4 Panel Discussion	11/11/2021
	PowerUp – Key Account Management	3-4/12/2021
	HSBC – How Businesses Can Start Your Net Zero	21/1/2022
	pitchIN – Starup Trends and Outlook for FY2022	5/3/2022
The Gateway Evening with CEO – Business Community Church	8/3/2022	

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

5.1 Nominating Committee (Cont'd)

During the FYE 2022, the details of various training programmes attended by all Directors are as follows: -
(cont'd)

Director	Seminars/Conferences/Training Programmes Attended	Date Attended
Chiau Haw Choon	Global Entrepreneur Exchange: Face2Face with Innovators – Uri Levine, Co-Founder of WAZE	18/5/2021
	Young President's Organisation: YPO Forum	15/6/2021 12/8/2021 13/10/2021 17/11/2021 12/1/2022 16/3/2022
	Global Leadership Summit: GLS 21: Asia-Pacific Summit	9-10/8/2021
	Harvard Business School: Strategy Execution	October – December 2021
Fong Shin Ni	Restructuring Options under the Companies Act 2016	6/9/2021
	Digital/Electronic Signatures Legislation and Development	7/9/2021
	The A to Z of Judicial Management	8/9/2021
	Listing Consideration under Bursa Malaysia	9/9/2021
Gan Teck Hooi	MIA International Accountants Conference 2021	8-10/6/2021
	AOB Conversation with Audit Committees Confirmation	6/12/2021
	2022 Budget Seminar by MIA	15/2/2022
Azian Binti Mohd Yusof	AOB Conversation with Audit Committees Confirmation	6/12/2021
	TCFD102 Climate Disclosure UN SSE Initiative	9/3/2022

5.2 Board Composition

The Board effectiveness is underpinned by having in place a balanced and effective Board which brings together a right mixture of skills, knowledge and expertise. As such, the present Board comprises eight (8) members, including four (4) Independent Non-Executive Directors, three (3) EDs and one (1) Non-Independent Non-Executive Director. This shows a strong independent element in the current Board, with Independent Directors making up half of the Board. The details of profiles of each Director are disclosed in the Directors' Profile section within this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

5.3 Tenure of Independent Director

Currently, none of the Independent Directors have served on the Board for a cumulative term of nine (9) years. The tenure of Independent Directors in the Company as at 31 March 2022 is shown as below: -

Directors	Appointment Date	<1 Year	1-3 Years
Dato' Che Halin Bin Mohd Hashim	14/9/2018		✓
Fong Shin Ni	14/9/2018		✓
Gan Teck Hooi	24/2/2020		✓
Azian Binti Mohd Yusof	29/7/2021	✓	

5.4 Policy of Independent Director's Tenure

The Board does not set a policy which limits the tenure of Independent Directors to nine (9) years without further extension. According to the terms of reference of the Nominating Committee, an Independent Director may continue to serve on the Board, subject to the review of his/her independence and if deemed appropriate, to provide justification and seek annual shareholders' approval through a two-tier voting process at AGM.

5.5 Diversity in the Board and Senior Management

The Board is supportive of diversity in the Board and Senior Management in order to gain a greater depth and breadth of deliberation during meetings. In this regard, the Company practices a formal and transparent procedure for the appointment of director based on the prescribed set of criteria as per Board Charter and the terms of reference of Nominating Committee. Such objective criteria have taken the consideration of, including but not limited to, personal qualifications, career experience, skills and competence, integrity and professionalism, time commitment, and in the case of a candidate for the position of Independent Non-Executive Director, the independence. The Nominating Committee, who is responsible for the assessment of nomination and appointment of new Board member, will also evaluate the candidate's involvement in any other listed companies to ensure that the candidate is able to act in the best interests of the Group. The Board has on 29 July 2021 appointed Puan Azian Binti Mohd Yusof as the additional woman director on Board to support the Board diversity.

Diversity in Senior Management is also supported with the similar criteria depicted in the terms of reference of Nominating Committee. The current composition of Board and Senior Management reflect a well mix of diversity in expertise from various field such as business administration, electrical, mechanical and electronic engineering, legal, finance and accounting. The annual analysis on the total workforce of the Group by gender, age, ethnicity, nationality and employee structure is illustrated in the Sustainability Statement within this Annual Report.

5.6 New Candidates for Board Appointment

The Board Charter provides that the Board does not solely rely on recommendations from the existing Board members, Senior Management or major shareholders to identify candidates for the appointment of new Board members. The Board Charter delineates that the Board shall utilise both internal resources and external consultants/advisers for the search of suitably qualified candidates. Nominating Committee shall then conduct the objective selection and appointment process as governed by its terms of reference, Fit and proper Policy and the Board Charter.

During FYE 2022, the Board and the Nominating Committee are mainly relying on the recommendations from the existing Board members, Senior Management or major shareholders for the appointment of Puan Azian Binti Mohd Yusof to the Board as an Independent Non-Executive Director on 29 July 2021 as the Board believes that this may speed up the appointment process. Nevertheless, the Board would not hesitate to utilise both internal and external resources to identify suitably qualified candidates for Board appointment.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

II. BOARD COMPOSITION (CONT'D)

5 Board Diversity and Objectivity (Cont'd)

5.7 Appointment and Reappointment of Directors

Pursuant to Clause 85.1 of the Company's Constitution, an election of Directors shall take place each year and at every AGM of the Company, one-third ($\frac{1}{3}$) 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. For the FYE 2022, the following Directors who retire by rotation in accordance with Clause 85.1 of the Company's Constitution and being eligible, have offered themselves for such re-election: -

- (i) Dato' Che Halin Bin Mohd Hashim; and
- (ii) Mr. Lim Chin Siu.

The Company's Constitution also stated 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. Chong Chun Shiong, who was appointed as an ED cum Group CEO on 29 December 2021 and Mr. Lee Hai Peng, who has appointed as a Non-Independent Non-Executive Director on 7 July 2022, shall retire at the conclusion at the forthcoming AGM and being eligible, they have offered themselves for re-election in accordance with Clause 92 of the Company's Constitution.

Shareholders are well-informed by the Company for the appoint or reappointment of Directors through the Statement Accompanying Notice of AGM which is attached as part of the Annual Report. Profiles of Directors are also published in the Annual Report, with information covering age, gender, qualifications, working experience, tenure of service, directorship in other companies, any family relationship or conflict of interest as well as shareholding in Solarvest.

5.8 Chairperson of Nominating Committee

The Nominating Committee is currently chaired by Ms. Fong Shin Ni, an Independent Non-Executive Director who is responsible to lead the Board appointment, succession planning of the Board as well as annual review of the Board performance and effectiveness. This shall ensure that the aforementioned affairs are addressed in an independent manner for the best interest of the Company.

5.9 Women Directorship

To date, there are two (2) female Directors sitting in the current Board, namely Ms. Fong Shin Ni and Puan Azian Binti Mohd Yusof, reflecting a 25% female representation in the Board. Moving forward, the Board will continue to identify suitably qualified woman candidate in an attempt to comply with the best practice of MCCG 2021 by having at least 30% women directors.

5.10 Gender Diversity

In an effort to promote the diversity in the Board and the Group's workforce as a whole, the Board has established the Company's diversity policy in the Paragraph 4 of the Board Charter and the Paragraph 9 of the terms of reference of the Nominating Committee. Both of the Board Charter and terms of reference of Nominating Committee are made available on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

II. BOARD COMPOSITION (CONT'D)

6 Overall Board Effectiveness

6.1 Annual Evaluation

The Board, through Nominating Committee, had on 26 May 2022 conducted the annual assessment for the FYE 2022 on the performance and effectiveness of the Board, Board Committees and individual Directors. The process is carried out via questionnaires in digital format of which the content was customised and decided by the Board that involved a series of relevant assessment criteria as below: -

Performance Evaluation of the Board and Board Committees	Performance Evaluation of Individual Director
<ul style="list-style-type: none"> Board mix and composition Board's relationship with the Management Quality of information and decision making of the Board Boardroom activities Board Committees evaluation 	<ul style="list-style-type: none"> Contribution to interaction Knowledge and function expertise Quality of input Understanding of role

The said assessment is carried out by way of both self and peer evaluation, facilitated by the Company Secretaries. The Board did not engage any external party to undertake an independent assessment of Directors for the FYE 2022 as the Board believes that the current evaluation framework is effective.

Based on the assessment conducted, the Board and Nominating Committee are satisfied with the existing size and composition of the Board and Board Committee in terms of the well-balanced mix of individuals with necessary skills, qualifications, experience and credibility amongst the Board as well as the independence of the Independent Directors. The Board is also satisfied with the level of time commitment and efforts contributed by all Directors in fulfilling their duties and responsibilities during the financial year under review.

III. REMUNERATION

7 Fair Remuneration

7.1 Remuneration Policy

The Board has on 21 May 2021 adopted the Remuneration Policy with the objective to attract, retain and motivate the Directors to continue serving the Board of the Company. The Remuneration Policy is designed to link rewards to EDs and key Senior Management for their responsibilities and fiduciary duties in steering the Company. Such remuneration package shall comprise basic salaries, annual bonus and benefits-in-kind according to respective individual performance, the Group's financial performance and business growth.

As for Non-Executive Directors, the level of remuneration shall reflect their experience, level of responsibilities and contribution to the Group. The remuneration package for Non-Executive Directors shall consist of fixed directors' fee and meeting allowances.

Evaluation of remuneration packages will be conducted annually and each Director shall abstain him/herself from deliberations and voting on decisions as regards his/her individual remuneration.

The Remuneration Policy is accessible at the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

III. REMUNERATION (CONT'D)

7 Fair Remuneration (Cont'd)

7.2 Remuneration Committee

To facilitate the remuneration affairs of the Company and the Group, the Board has established the Remuneration Committee to recommend appropriate remuneration packages for the EDs and key Senior Management for the Board approval. The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole where the Board shall raise the said matter for shareholders' approval at AGM.

As at 31 March 2022, the composition of the Remuneration Committee is tabled as follows: -

Position	Name	Directorship
Chairman	Gan Teck Hooi <i>(Redesignated on 21/05/2021)</i>	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Chiau Haw Choon <i>(Ceased on 7/7/2022)</i>	Non-Independent Non-Executive Director
Member	Lee Hai Peng <i>(Appointed on 7/7/2022)</i>	Non-Independent Non-Executive Director

In line with the best practice of Practice 1.4 of revised MCCG 2021, Dato' Che Halin Bin Mohd Hashim, being the Chairman of the Board, had on 21 May 2021 stepped down from the Chairman of Remuneration Committee and Mr. Gan Teck Hooi was redesignated as the Chairman of Remuneration Committee to lead the Remuneration Committee for the remuneration matters of the Company and the Group.

As per the terms of reference, the Remuneration Committee shall meet at least once a year to review and recommend appropriate remuneration packages which reward the EDs and key Senior Management in accordance to Group's performance as well as appropriate with the expected responsibility and their contribution.

The Remuneration Committee held three (3) meetings and all members have attended the said meetings during the FYE 2022. During the financial year, the Remuneration Committee has performed several activities, summarised as follows: -

- (i) Formulated the Remuneration Policy of the Company;
- (ii) Reviewed and recommended the remuneration packages and bonus payment for the EDs and key Senior Management to the Board;
- (iii) Reviewed and recommended the Directors' fees and other benefits payable to the Non-Executive Directors;
- (iv) Reviewed and deliberated on the revision of the Directors' fees payable to the Non-Executive Directors; and
- (v) Reviewed its terms of reference to ensure its relevance and appropriateness.

The full authorities and responsibilities of Remuneration Committee are clearly set out in its terms of reference which can be found on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

III. REMUNERATION (CONT'D)

8 Remuneration of Directors and Key Senior Management

8.1 Directors' Remuneration

The details of remuneration paid or payable to all the Directors of the Company and the Group basis for the FYE 2022 are as follows: -

Director	Company		Group				
	Fee (RM)	Allowance (RM)	Fee (RM)	Allowance (RM)	Salary (RM)	Bonus (RM)	Benefit-In-Kind (RM)
Dato' Che Halin Bin Mohd Hashim	60,000	1,500	60,000	1,500	-	-	-
Lim Chin Siu	-	-	-	-	384,000	200,000	60,000
Tan Chyi Boon	-	-	-	-	360,000	200,000	60,000
Chong Chun Shiong	-	-	-	-	360,000	200,000	33,523
Chiau Haw Choon	36,000	2,000	36,000	2,000	-	-	-
Fong Shin Ni	36,000	2,000	36,000	2,000	-	-	-
Gan Teck Hooi	36,000	2,000	36,000	2,000	-	-	-
Azian Binti Mohd Yusof	24,000	1,500	24,000	1,500	-	-	-
Total	192,000	9,000	192,000	9,000	1,104,000	600,000	153,523

8.2 Remuneration of Key Senior Management

The Board is of the view that the disclosure of the key Senior Management's remuneration on a named basis may not be in its best interest to the Company and such disclosure may cause unhealthy competition and resulting in talent poaching in the solar industry.

In setting the remuneration package for key Senior Management, Remuneration Committee has considered several elements, including individual responsibility, capability, professionalism, skills, expertise as well as contributions towards the Group, to ensure that the remuneration package is competitive and sufficient to attract and retain the right talent.

Alternatively, the Board is disclosing the remuneration paid to our key Senior Management during the FYE 2022, analysed in the bands of RM50,000 as follows: -

Range of Remuneration	Number of Key Senior Management
RM150,001 to RM200,000	1*
RM350,001 to RM400,000	1
RM500,001 to RM550,000	1

* Reflects the remuneration package for FYE 2022 of less than twelve (12) months during the time of the Key Senior Management held office.

The explanation for the departure of Practice 8.2 of the MCCG 2021 is disclosed in the Corporate Governance Report.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

9 Effective and Independent Audit and Risk Management

9.1 Chairman of Audit Committee

The Chairman of the Audit Committee is Mr. Gan Teck Hooi, an Independent Non-Executive Director, who is distinct from the Chairman of the Board, namely Dato' Che Halin Bin Mohd Hashim. This has ensured that the objectivity of the Board's review of the Audit Committee's findings and recommendations will be preserved.

9.2 Former Key Audit Partner

In an effort to safeguard the utmost independence of audit, the Audit Committee has updated its terms of reference by stating the policy that requires a former key audit partner of the Group to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. Currently, none of the Audit Committee member is the former key audit partner of the External Auditors and the Board does not foresee any new appointment of former key audit partner to the Audit Committee. The terms of reference of the Audit Committee is available at the Company's website.

9.3 Assessment of External Auditors

The Board, through the Audit Committee, has established a formal and transparent relationship with the External Auditors, Messrs. Ecovis Malaysia PLT. The Audit Committee is tasked to review both audit-related and non-audit services rendered by the External Auditors. The Audit Committee has the explicit authority to communicate directly with the External Auditors without the presence of EDs and the Management to discuss on audit findings and any related matters, when necessary.

The fees paid/payable to the External Auditors for the provision of statutory audit and non-audit related services for the FYE 2022 are as follows: -

Fees Paid/Payable to the External Auditors	Company (RM)	Group (RM)
Statutory Audit	20,000	177,000
Non-Audit		
- Review of combined financial statements for financial year ended 31 March 2018 and 31 March 2019 for transfer listing purpose and Statement on Risk Management and Internal Control	25,000	25,000
- Agreed upon procedures perform on adjustments to exercise price and number of outstanding warrants	7,000	7,000

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 had also provided a Letter of Independence to the Audit Committee to affirm their independence in the course of their audit on the financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. AUDIT COMMITTEE (CONT'D)

9 Effective and Independent Audit and Risk Management (Cont'd)

9.3 Assessment of External Auditors (Cont'd)

Governed by its terms of reference, the Audit Committee is responsible to review and assess the suitability, objectivity, performance and independence of the External Auditors on a yearly basis. As such, the Audit Committee has considered, amongst others, the following: -

- (i) The adequacy in terms of the competence, experience, quality and independence of the External Auditors;
- (ii) The External Auditors' resources capacity and ability to fulfill deadlines in providing quality services and responding to issues in a timely manner as stipulated in the Audit Planning Memorandum;
- (iii) The appropriateness of audit fees to support quality audit;
- (iv) 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
- (v) Whether there are safeguards in place to ensure that there is no known or potential threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Further details of the oversight of External Auditors are described under the Audit Committee Report in this Annual Report.

For the FYE 2022, the Audit Committee is satisfied with the performance, competence and independence of the External Auditors in terms of the audit quality, resources sufficiency, qualification and experience of staff allocated to the annual audit as well as the non-audit services rendered. Thus, the Audit Committee has recommended the re-appointment of Messrs. Ecovis Malaysia PLT as External Auditors for the financial year ending 2023 to the Board in order to seek for the shareholders' approval at the forthcoming 5th AGM.

9.4 Composition of the Audit Committee

As at 31 March 2022, the Audit Committee comprises exclusively of Independent Non-Executive Directors as below: -

Position	Name	Directorship
Chairman	Gan Teck Hooi	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Azian Binti Mohd Yusof (<i>Appointed on 29/7/2021</i>)	Independent Non-Executive Director

Supported by the composition of Audit Committee and the cessation of office as a member of Audit Committee by the Board Chairman, Dato' Che Halin Bin Mohd Hashim, a strong element of independence is proven to ensure the integrity of financial controls and integrated reporting, as well as the identification and monitoring of risks.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

I. AUDIT COMMITTEE (CONT'D)

9 Effective and Independent Audit and Risk Management (Cont'd)

9.5 Financial Literacy of Audit Committee Members

Mr. Gan Teck Hooi, the Chairman of Audit Committee, is a FCCA and member of the MIA. Ms. Fong Shin Ni is an experienced partner in a local legal firm while Ms. Azian Binti Mohd Yusof has over 30 years of experience in promoting the growth of investments in Malaysia during her tenure with MIDA.

Although only one-third ($\frac{1}{3}$) of the Audit Committee is a member of a professional accounting body, our Audit Committee as a whole is financially literate with their continuous trainings and developments in accounting and auditing standards, practices and rules through various training programmes as well as updates from the Management and the External Auditors. As such, all the Audit Committee members are financially literate, competent and have sufficient understanding on the Group's business and matters under the purview of Audit Committee.

The Audit Committee also seeks for further clarification and additional information such as business performance and operational issues from Senior Management and Internal Auditor to facilitate their discharge of oversight responsibilities in the financial reporting process so as to ensure the reliability of the financial reporting of the Group. Based on the annual assessment results conducted by Nominating Committee, the Board is satisfied that the Audit Committee possesses appropriate knowledge, skills, competencies to perform their duties in the FYE 2022.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10 Adequate Risk Management and Internal Control

10.1 Effective Risk Management and Internal Control Framework

As guided by the Board Charter, the Board is entrusted with the responsibility to maintain a robust and sound risk management and internal control framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks. Such framework is essential in safeguarding the stakeholders' interest, shareholders' investments as well as the Group's assets.

In this regard, the Board has formalised an Enterprise Risk Management ("ERM") Framework, covering the identification, analysis, responding, monitoring and reporting of the Group's risks and controls. Supported by Risk Management Committee, the framework enables the Group to identify any significant risk or structural weakness which may have potential impact of achieving the business objectives. Key risks are assessed and managed in line with the Group's risk profile and appropriate risk tolerance level. Risk reports are presented to the Risk Management Committee and tabled to the Board to deliberate on the Group's risk mitigating measures and any further action required for improvement.

Furthermore, a set of SOPs is put in place to ensure the effectiveness of the internal controls system in the Group. The Board has outsourced the Group's internal audit function for an on-going monitoring and review on the Group's internal controls. The Audit Committee and Risk Management Committee are also empowered to assist the Board in reviewing and evaluating the adequacy and effectiveness of the risk management and internal controls system implemented in the Group.

For further details on the Group's risk management and internal control framework, kindly refer to the Statement on Risk Management and Internal Controls in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

10 Adequate Risk Management and Internal Control (Cont'd)

10.2 Features of Risk Management and Internal Control Framework

In order to keep track on the Group's risk management, the Board has documented all identified risks with relevant risk ratings, mitigation measures and relevant key person-in-charge in the Group's Risk Register. The Risk Register shall be reviewed and updated regularly to remain its relevance in line with the evolving business and regulatory environment.

Based on the ERM Framework, the Board is supported by the Risk Management Committee, who in turn is assisted by ERM Working Committee. The ERM Working Committee, comprising several head of departments of the Group, is tasked to implement and monitor the ERM Framework in respective business operations and report the same to the Risk Management Committee.

On top of risk management, the Board regards the internal controls system as an integral component for the Group's operational effectiveness. All employees are required to comply to the Group's SOPs and an outsourced Internal Auditor is appointed to assess such adequacy and effectiveness on a periodic basis. The Statement of Risk Management and Internal Control in this Annual Report has detailed the further information of the Group's risk management and internal controls system.

For the FYE 2022, the Board is of the view that the Group's risk management and internal controls system is operating adequately and effectively to safeguard our stakeholders' interest, shareholders' investments and the Group's assets.

10.3 Risk Management Committee

The Risk Management Committee of the Company comprises a majority of Independent Directors, with the present composition shown as follows: -

Designation	Name	Directorship
Chairman	Gan Teck Hooi	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Chong Chun Shiong	Executive Director cum Group CEO

11 Internal Audit and Governance Control

11.1 Internal Audit Function

The Board has appointed an independent professional service firm, Eco Asia Governance Advisory Sdn Bhd, to in charge of the Group's internal audit function on an outsourced basis. The Internal Auditors is empowered to assist the Audit Committee and the Board to perform internal audit review regularly based on the approved internal audit plan to assess and evaluate the adequacy and effectiveness of the governance, risk management and internal controls of the Group.

The outsourced Internal Auditors is free from any relationships or conflicts of interest with the Group. This shall ensure that internal audit review is performed objectively, proficiently and with due professional care. In order to ensure the effectiveness of internal audit function, the Audit Committee has full and unrestricted access to all information and resources in the Group which are required to perform the internal audit to ensure an appropriate conduct of internal audit engagements.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(cont'd)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

11 Internal Audit and Governance Control (Cont'd)

The Internal Auditors reports directly to the Audit Committee by presenting the internal audit findings, implications together with the recommendations at the scheduled Audit Committee meetings. Details of the Group's internal audit function is further discussed in the Statement of Risk Management and Internal Control in this Annual Report.

During the FYE 2022, the Audit Committee has assessed and is satisfied with the adequacy of the scope, functions, resources, competency, experience and independence of the Internal Auditor.

The professional fee payable to the outsourced Internal Auditor for the FYE 2022 is RM30,000.

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

I. ENGAGEMENT WITH STAKEHOLDERS

12 Stakeholder Communication

12.1 Dialogue with Stakeholders

The Board is committed to maintain a regular, transparent, and effective communication with our shareholders and stakeholders in relation to the Group's business, operations, and financial performance in order for them to understand and make informed decisions.

Solarvest disseminates information and enhances our investor relations via the Company's corporate website at <https://solarvest.my/>. This website serves as one of the most convenient ways for shareholders and the public to access to the Group's latest information. The Management is responsible to ensure that the information available on the Company's website is clear, unambiguous, succinct, accurate, sufficient, current and relevant.

Shareholders and the public are also kept informed with all latest information of the Group through timely dissemination of material information via the following platforms: -

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

Nevertheless, in any circumstances, whilst Solarvest strives to provide as much information as possible to shareholders and stakeholders, the Company is also mindful of the legal and regulatory requirements governing the release of material and price-sensitive information.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

I. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

12 Stakeholder Communication (Cont'd)

12.2 Integrated Report

The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.

II. CONDUCT OF GENERAL MEETINGS

13 General Meetings

13.1 Notice of AGM

AGM is the principal forum for Solarvest to have direct communication with shareholders annually. Notice of AGM will be prepared to set out the business to be transacted at the AGM and will be emailed or dispatched (for those without email address) to registered shareholders at least twenty-eight (28) days prior to the meeting. This shall facilitate shareholders' decision-making process by ensuring adequate time for them to peruse and consider the resolutions that will be discussed and voted at the AGM.

The Notice of AGM is also published in major local newspaper, Bursa Securities website and the Company's website within the mandatory period. Where special business item appears in the Notice of AGM, an explanatory note on the special business item will be included as a footnote for shareholders' attention on the arising significance and impact.

13.2 Directors' Participation at AGM

In line with our Covid-19 precautionary measures, the Company has conducted the forth (4th) AGM on 30 September 2021 virtually via remote participation and voting. All Directors have attached great importance to the AGM with the full attendance of the Board at the AGM. During the 4th AGM, the Board presented the Group's visual overview of business strategy and major developments. During the Questions & Answers ("Q&A") session, where all questions raised are related to the Group's operations, the Group CEO has responded and addressed all the questions raised by providing meaningful responses.

The date of forthcoming 5th AGM is communicated to all Directors earlier in order for them to reserve their dates and make necessary arrangement as their endeavour to participate the Company's AGM and communicate with our shareholders.

13.3 Leveraging on Technology

The 4th AGM dated 30 September 2021 was held virtually by leveraging on technology by engaging Agmo Digital Solutions Sdn Bhd ("Agmo Digital") to be the Poll Administrator and provide the Remote Participation and Voting ("RPV") facilities via virtual meeting platform, Vote2U. This allows shareholders to participate and vote during the AGM without having to physically present at the meeting venue as part of our safety measures. The virtual AGM provides the same transparency and level of participation as an in-room only meeting.

Advocated by the best practice of MCCG 2021, the Company has obtained a written confirmation from Agmo Digital pertaining to the information transmission, data protection and cybersecurity of Vote2U. In this regard, Agmo Digital has engaged external parties to perform independent assessment and application controls review, web application security assessment review as well as external penetration test to evaluate the said matters. Based on the tests and reviews conducted, Vote2U are overall adequate and satisfactory to uphold good cyber hygiene and they provide the same assurance to the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

13 General Meetings (Cont'd)

13.4 Meaningful Engagement with Shareholders

To support meaningful engagement, the fully virtual AGM is aimed to provide our shareholders with a similar level of participation as compared to a physical AGM. In the conduct of virtual AGM, shareholders are encouraged to participate, speak, and vote remotely through live streaming and online remote voting using the RPV facility. Shareholders who are unable to attend are allowed to appoint their own proxies or appoint the Chairman as their proxies to attend and vote on their behalf.

Shareholders are given the opportunity to raise questions and seek clarifications by submitting their questions to the Query Box in the RPV during the conduct of AGM. The Administrative Guide for the 4th AGM was circulated to all shareholders and made available at the Bursa Securities' and Company's website, detailing the procedures to register, participate and vote remotely at the 4th AGM. External Auditors were also invited to attend the AGM to respond to any queries raised by shareholders concerning the conduct of audit and preparation of financial statements.

13.5 Infrastructure for Virtual AGM

To facilitate and support the conduct of fully virtual 4th AGM, the Board engaged Agmo Digital as the Poll Administrator to provide the RPV facility and all electronic voting will be verified by the appointed Independent Scrutineers, Aegis Communication Sdn Bhd, upon completion of voting session. With the RPV facilities, shareholders are allowed to raise their questions easily and conveniently via Vote2U platform during the AGM. All questions raised were appropriately addressed and answered by the Board and Senior Management at the AGM.

13.6 Minutes of AGM

Upon completion of 4th AGM, the Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers responded by the Board and Management on the Company's website within thirty (30) business days.

COMPLIANCE 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 2021 and all other applicable laws, where applicable and appropriate.

OTHER DISCLOSURE REQUIREMENTS

UTILISATION OF PROCEEDS FROM INITIAL PUBLIC OFFERING (“IPO”)

As at 31 March 2022, 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			Initial Timeframe for Utilisation from the Listing Date	Revised Timeframe for Utilisation of IPO Proceeds
	Proposed RM'000	Actual RM'000	Balance RM'000		
i) Business expansion	3,000	2,096	904	Within 24 months	Within 24 months from 26 May 2021
ii) Capital expenditure	4,000	1,339	2,661	Within 18 months	Within 24 months from 26 May 2021
iii) Working capital	19,190	18,236	954	Within 24 months	Within 24 months from 26 May 2021
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	30,071	4,519		

The utilisation of proceeds as disclosed above should be read in conjunction with the prospectus of the Company dated 30 September 2019 and announcement dated 24 May 2021.

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

As at 31 March 2022, the utilisation of proceeds amounting to RM38.72 million raised from the first tranche of Private Placement of 32,000,000 new ordinary shares at RM1.21 per share on 30 November 2020 are summarised as follows: -

Purpose	Details of the Utilisation of Proceeds			Estimated Timeframe for Utilisation from the Listing Date
	Proposed RM'000	Actual RM'000	Balance RM'000	
i) Investment in solar photovoltaic projects	30,500	17,075	13,425	Within 30 months
ii) Working capital	8,030	8,030	-	Within 24 months
iii) Estimated expenses for the Private Placement	190	190	-	Within 1 month
	38,720	25,295	13,425	

OTHER DISCLOSURE REQUIREMENTS

(cont'd)

UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT (CONT'D)

The Company had on 31 July 2021 and 29 October 2021 issued 30,000,000 new ordinary shares at RM1.01 per ordinary share and 3,600,000 new ordinary shares at RM1.25 per ordinary share respectively for the second and final tranche of Private Placement. As at 31 March 2022, the utilisation of proceeds amounting to RM34.80 million raised from the said tranches of Private Placement are summarised as follows: -

Purpose	Details of the Utilisation of Proceeds			Estimated Timeframe for Utilisation from the Listing Date
	Proposed RM'000	Actual RM'000	Balance RM'000	
i) Investment in solar photovoltaic projects	27,412	-	27,412	Within 30 months
ii) Working capital	7,217	7,217	-	Within 24 months
iii) Estimated expenses for the Private Placement	171	171	-	Within 1 month
	34,800	7,388	27,412	

The utilisation of proceeds as disclosed above should be read in conjunction with the Private Placement announcement dated 13 August 2020 and 15 October 2020.

AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

During the FYE 2022, 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	20,000	177,000
Non-Audit Fees		
- Review of combined financial statements for financial year ended 31 March 2018 and 31 March 2019 for transfer listing purpose and Statement on Risk Management and Internal Control	25,000	25,000
- Agreed upon procedures perform on adjustments to exercise price and number of outstanding warrants	7,000	7,000

MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOAN

During the FYE 2022, 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")

ESOS was approved by shareholders at the EGM on 28 September 2020. The final copy of bylaws of ESOS has been submitted to Bursa Securities and the ESOS is effectively implemented on 1 March 2021. However, the Board of Directors of the Company has yet to grant any share options to the eligible employees of the Group during FYE 2022.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

During the FYE 2022, there was no RRPT which requires shareholders' mandate.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In accordance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Securities, Malaysian Code on Corporate Governance 2021 ("MCCG 2021"), and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), the Board is pleased to present this Statement on Risk Management and Internal Control ("Statement") to set out the nature and scope of risk management and internal controls system within the Group for the FYE 2022.

BOARD RESPONSIBILITIES

The Board acknowledges the importance for having a systematic approach to review the Group's risk management and internal control processes and affirms its continuous commitment to maintain a sound risk management and internal controls system within the Group. The Board has performed regular review on the adequacy, effectiveness and integrity of the systems and policies in place in an effort to achieve the Group's objectives and strategies so as to safeguard our stakeholders' interests, shareholders' investments and the Group's assets.

The Board assumes the overall responsibility to identify, evaluate and manage the significant risks faced by the Group. This process is supported by the Audit Committee and Risk Management Committee to ensure an effective discharge of responsibility in enhancing the Group's risk management and internal controls system on an ongoing basis. The Management is tasked to assist the Board for the implementation of pertinent controls and monitoring the said system to identify and assess any emerging issues or areas of control deficiencies from daily operations.

However, in light of the inherent limitations in any system of risk management and internal controls, the system is designed to manage and mitigate risks or events with significant adverse impact on the achievements of the Group's business objectives. Therefore, it can only provide reasonable but not absolute assurance against material financial misstatement, loss, fraud or any unforeseeable circumstances.

The Board is of the view that the Group's risk management and internal controls system in place are adequate and effective in all material aspects during the financial year under review and up to the date of approval of this Annual Report, subject to regular reviews.

RISK MANAGEMENT SYSTEM

The Board regards risk management as an essential part to strike the right balance between risk and return for the achievement of business goals. As such, the Board has entrusted the Risk Management Committee to oversee, direct and counsel on the overall risk management process within the Group. The Risk Management Committee, comprising two (2) Independent Non-Executive Directors and the Group CEO, is tasked with the following roles and responsibilities, amongst others: -

- (i) To oversee and recommend to the Board on the Group's risk management strategies and policies as well as risk tolerance level in line with the Group's business objectives;
- (ii) To ensure the effectiveness of risk management framework based on an internationally recognised risk management framework;
- (iii) To conduct regular review and testing on the Group's risk management framework;
- (iv) To review the Group's risk profile and identify any emerging risks together with the formulation and evaluation of mitigation plans within the Group's risk appetite;
- (v) To ensure adequate infrastructure, resources and systems are in place for a smooth implementation of risk management across the Group;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

RISK MANAGEMENT SYSTEM (CONT'D)

- (vi) To review the adequacy of the Management's responses to issues identified in risk registers and recommend necessary changes to ensure that key risks are managed appropriately in line with the Group's risk appetite; and
- (vii) To report the outcome of risk assessment to the Board for strategic decision making and to highlight and advise the Board on any potential high-risk areas.

The complete duties and responsibilities of Risk Management Committee is detailed in its terms of reference, which is available on the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

On 10 March 2020, the Board has approved and adopted the Group's Enterprise Risk Management ("ERM") Framework. The ERM Framework has outlined the system to identify structural weaknesses within the Group's operating environment and develop timely response to address any unpleasant surprises, as shown as below:-



Along with the introduction of this framework, ERM Working Committee, comprising of different heads of departments of the Group, has been established to serve as the driving force in assisting the implementation and monitoring of ERM Framework in respective business operations across the Group. ERM Working Committee shall assess relevant risk profile every quarter and present a risk report detailing the risk identified and status of review and mitigation to the Risk Management Committee on a half yearly basis. Outcome of Risk Management Committee meetings will then be tabled to the scheduled Board meetings for the Board's notation.

During the FYE 2022, the Risk Management Committee held two (2) meetings to review the ERM road map and ERM risk report updated by the Management and deliberate key risks and appropriate mitigating controls.

The Board, through the Risk Management Committee, is satisfied that the risk management system implemented within the Group is operating adequately and effectively during the financial year and up to the date of approval of this Annual Report.

INTERNAL CONTROL SYSTEM

The internal controls system of the Group is embedded into daily operations in all business segments across the Group to ensure sound governance and sustainable business development. The Board has delegated certain responsibilities to the Management to implement appropriate internal controls, monitor its effectiveness and report the same to the Audit Committee. Audit Committee has been empowered to review the adequacy and effectiveness of the internal controls and governance processes implemented in the Group. Any significant internal control deficiencies affecting the Group's business plans and/or strategic objectives shall be escalated to the Board at the scheduled meetings.

Key internal controls implemented during the financial year under review are as follows: -

- (i) Formalised and documented internal standard operating policies and procedures to support the Group's daily operations;
- (ii) Well-defined terms of reference with level of authorities and lines of responsibilities of the various Board Committees including Audit Committee, Remuneration Committee, Risk Management Committee and Nominating Committee;
- (iii) Clearly defined organisational structure with appropriate segregation and delegation of duties to facilitate a check and balance function for proper decision making at the appropriate authority levels of Management including matters that require for the Board's approval;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

INTERNAL CONTROL SYSTEM (CONT'D)

Key internal controls implemented during the financial year under review are as follows: - (cont'd)

- (iv) 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;
- (v) Clearly documented Company policies including the Code of Conduct and Ethics, Whistleblowing Policy and ABC Policy covering policies and procedures on dealing with external parties, conflict of interest, insider trading, compliance to laws, money laundering, bribery and corruption and others which serve as primary guidance on the ethical and behavioural conduct of the Group;
- (vi) Direct communication between the outsourced Internal Auditor and the Audit Committee. Findings are communicated to the Management and the Audit Committee along with recommendations for improvements. Follow-up reviews will be conducted to ensure all agreed recommendations are implemented;
- (vii) Accreditation of ISO 9001:2015 Quality Management System and ISO 45001:2018 Occupational Health and Safety Management System to serve as the basis of operational and management procedures of the Group;
- (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 Board also plays an active role in deliberating and reviewing the business plans, strategies, performance and risks faced by the Group; and
- (ix) The conduct of ongoing training and development to build and enhance the competitiveness and capability of our employees.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to a professional firm, Eco Asia Governance Advisory Sdn Bhd. The Internal Auditor is entrusted to assist the Board and Audit Committee in providing a professional, independent and objective assessment on the overall adequacy, efficiency and effectiveness of the Group's risk management and internal controls system.

During the FYE 2022, the outsourced Internal Auditors have conducted two (2) internal audit reviews on purchases and customer services of the Group. Findings noted from the internal audit conducted, together with recommendations for improvement, were presented to the Audit Committee at scheduled meeting. While the Management is responsible to implement the corrective actions within the stipulated time frame, the Internal Auditors will perform subsequent follow-up reviews to ensure that necessary measures have been implemented on the previous audit findings.

The professional fee payable to the outsourced Internal Auditors for the FYE 2022 amounted to RM30,000.

According to the internal audit review conducted, the Board is satisfied that none of the weaknesses noted have resulted in any material losses, contingencies or uncertainties that would require for separate disclosure in this Annual Report.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the Annual Report for the FYE 2022 and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process 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 CEO, representing the Management, have given reasonable assurance to the Board that the Group's risk management and internal controls system are operating adequately and effectively 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, the Board believes that there were no significant internal control deficiencies or material weaknesses resulting in material losses or contingencies requiring disclosure in this Annual Report. The Board is of view that the existing system of risk management and internal controls is considered appropriate and adequate to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

Nevertheless, the Board acknowledges that the Group's system of risk management and internal control practices must be evolved on an ongoing basis in order to meet the ever changing and challenging business environment. In this respect, the Board will continuously assess and enhance the Group's risk management and internal controls system.

AUDIT COMMITTEE REPORT

Pursuant to Paragraph 15.15 of the MMLR of Bursa Securities, the Board is pleased to present the following Audit Committee Report for FYE 2022 which illustrates the insights as to the manner in which the Audit Committee has discharged their duties and responsibilities during the financial year.

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is established with the primary objective to assist the Board in fulfilling its statutory duties in relation to corporate accounting, financial reporting practices, corporate governance, system of risk management and internal controls, audit process and the independence of auditors. Particularly, in respect of the independence of auditors, the Audit Committee is responsible to enhance the effectiveness and independence of both the External and Internal Auditors' functions through active participation in the audit process.

The members of the Audit Committee are as follows: -

Designation	Name	Directorship
Chairman	Gan Teck Hooi	Independent Non-Executive Director
Member	Fong Shin Ni	Independent Non-Executive Director
Member	Azian Binti Mohd Yusof <i>(Appointed on 29/7/2021)</i>	Independent Non-Executive Director
Member	Dato' Che Halin Bin Mohd Hashim <i>(Ceased on 29/7/2021)</i>	Independent Non-Executive Chairman

Serving as the Chairman of Audit Committee, Mr. Gan Teck Hooi is a FCCA and a member of the MIA. Pursuant to the terms of reference of Audit Committee, no alternate director is appointed as a member of the Audit Committee.

In compliance with Paragraph 15.10 of MMLR, the Chairman of Audit Committee, Mr. Gan Teck Hooi, is an Independent Non-Executive Director. Furthermore, Dato' Che Halin Bin Mohd Hashim, being the Chairman of the Board, has stepped down from the Audit Committee in Compliance with the best practices advocated by the MCCG 2021.

TERMS OF REFERENCES OF AUDIT COMMITTEE

The full terms of reference of the Audit Committee, covering its scope of duties and responsibilities, authority and other relevant matters, is made available at the Company's website at <https://solarvest.my/investor-relations/corporate-governance/>.

MEETINGS AND ATTENDANCE

During the FYE 2022, the Audit Committee held five (5) meetings and the details of meeting attendance of each Audit Committee member are as follows: -

Members	Meeting Attendance	Percentage of Attendance
Gan Teck Hooi	5/5	100%
Fong Shin Ni	5/5	100%
Azian Binti Mohd Yusof <i>(Appointed on 29/7/2021)</i>	3/3 *	100%
Dato' Che Halin Bin Mohd Hashim <i>(Ceased on 29/7/2021)</i>	2/2 *	100%

* Reflects the number of meetings held during the time of the Director held office in Audit Committee.

AUDIT COMMITTEE REPORT

(cont'd)

MEETINGS AND ATTENDANCE (CONT'D)

To facilitate the conduct of Audit Committee meetings, the Group CEO and Group Financial Controller ("Group FC") were invited to attend all the meetings to provide clarification and information on relevant issues pertaining to audit as well as the Group's financial reporting and operations. Other Board members and employees may attend any particular meeting only at the invitation by the Chairman of Audit Committee, specific to the relevant meeting.

The presence of representative of the External Auditors and/or Internal Auditors at the Audit Committee meetings shall be requested upon invitation by the Chairman of Audit Committee. The External Auditors, Messrs. Ecovis Malaysia PLT, attended three (3) of the meetings held to present the Audit Planning Memorandum, Audit Review Memorandum, and audited financial statements for the FYE 2022 for Audit Committee's review. The Internal Auditors, Eco Asia Governance Advisory Sdn Bhd, attended two (2) of the meetings held to present the annual internal audit plan and internal audit reports.

Minutes of each meeting were recorded and tabled for confirmation at the subsequent Audit Committee meeting. During scheduled Board meetings, all meeting minutes were presented to the Board for notation and key issues discussed during the Audit Committee meeting were highlighted by the Chairman of the Audit Committee to the Board.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

In line with the terms of reference, our Audit Committee has carried out the following activities during the FYE 2022 in discharging of its functions and duties: -

(1) Financial Reporting

- (i) Reviewed the unaudited quarterly results and audited financial statements of the Group before recommending to the Board for approval and releasing the announcement to Bursa Securities, focusing in particular on: -
 - Any changes in or implementation of major accounting policies and procedures;
 - Significant matters highlighted including financial reporting issues, significant judgements made by the Management, significant and unusual events/transactions and how these matters were addressed;
 - Significant adjustments arising from the audit; and
 - Compliance with all applicable accounting standards and legal requirements, including: -
 - Provision of Companies Act 2016;
 - MMLR of Bursa Securities;
 - Malaysian Financial Reporting Standards ("MFRS");
 - International Financial Reporting Standards ("IFRS"); and
 - Other legal and regulatory requirements.
- (ii) In the review of the annual audited financial statements, the Audit Committee had discussed with the Management and the External Auditors for the accounting principles and standards applied as well as their judgements on the items that may affect the financial statements. Audit Committee shall ensure that the financial statements taken as a whole provide a true and fair view of financial position, financial performance and cash flow of the Company and the Group for the FYE 2022.

AUDIT COMMITTEE REPORT

(cont'd)

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

(2) Risk Management and Internal Control

- (i) Reviewed and assessed the adequacy and effectiveness of the risk management framework and internal controls system implemented within the Group to ensure that it allows timely identification, analysis, response, monitoring and reporting of risks in order to mitigate risk and maximise opportunities;
- (ii) Assessed the risk management and internal controls systems, processes, policies and procedures to ensure compliance with all relevant laws, rules and regulations, directives and guidelines established by the relevant regulatory bodies;
- (iii) Reviewed the internal controls system adopted within the Group to ensure that they are appropriately in place, effectively administered and regularly monitored; and
- (iv) Recommended appropriate steps to the Board to improve the Group's internal controls system derived from the findings of the Internal and External Auditors.

(3) Internal Audit Function

- (i) Reviewed and assessed the adequacy of the scope, functions, qualification, competency and resources of the outsourced Internal Auditor to ensure its effectiveness and consider the re-appointment. The Audit Committee was satisfied with the competence and independence of Internal Auditor in performing its scope of duties in FYE 2022;
- (ii) Reviewed internal audit plan and ensured that appropriate actions were undertaken to conduct the audit engagements based on the approved plan;
- (iii) Assisted and ensured that the outsourced Internal Auditor had full, free and unrestricted access to all activities, records, properties and personnel necessary to perform its duties; and
- (iv) Reviewed and deliberated on the internal audit reports covering the internal audit scope, findings and Management responses to key areas highlighted as well as proposed recommendations for improvements.

Further details of the activities of Internal Auditor performed during FYE 2022 are set out in the Statement of Risk Management and Internal Control in this Annual Report.

(4) Oversight of External Audit

- (i) Reviewed the scope and nature of the statutory audit of the Company's and the Group's financial statements covered in the Audit Planning Memorandum prior to the audit engagements;
- (ii) Reviewed the Audit Review Memorandum and deliberated with the External Auditors to understand and consider significant accounting adjustment and auditing issues arising from audits, particularly recommendations and appropriate actions to be taken by the Management;
- (iii) Conducted two (2) private sessions with External Auditors to discuss any issues arising from audits without the presence of the Executive Directors and the Management;
- (iv) Reviewed and deliberated the independent auditors' report by External Auditors, and key audit matters significant matters and/or management letter highlighted for improvement measures that Management should consider in relation to weaknesses or deficiencies identified in the internal controls system as well as Management's response to the management letter; and
- (v) Conducted annual performance assessment to evaluate the independence, performance, competence and experience of the External Auditors as well as provision of non-audit services and audit fees, and recommended to the Board for re-appointment.

AUDIT COMMITTEE REPORT

(cont'd)

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

(5) Related Party Transactions ("RPT")

- (i) Reviewed any RPT and/or conflict of interest that may arise within the Group including any transactions, procedures or course of conduct that raises questions on the Management's integrity; and
- (ii) Reviewed RPT to ensure that such transactions were carried out at arm's length and under normal commercial terms and is properly disclosed.

(6) Annual Report

- (i) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control prior to submission to the Board's consideration and approval for inclusion in the Annual Report; and
- (ii) Reviewed the Corporate Governance Report and Corporate Governance Overview Statement to ensure the compliance with the MCCG 2021 for inclusion in the Annual Report.

(7) Training

All Audit Committee members have attended various training programmes for the continuous professional development during the FYE 2022. The list of trainings attended is outlined in the Corporate Governance Overview Statement in this Annual Report.

(8) Others

- (i) Reviewed the terms of reference of the Audit Committee of the Company;
- (ii) Discussed the status update on Memorandum of Understanding entered by the Group; and
- (iii) Deliberated on the issue of global supply chain and shortage of raw material in Solar industry.

There was no insider trading reported during the financial year under review.

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

The Directors affirm the responsibility to prepare financial statements for each financial year and to ensure that the financial statements are prepared in accordance with the applicable MFRS, IFRS, the provisions of the Companies Act 2016 as well as the MMLR of Bursa Securities.

The Directors are responsible to 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 2022, and of their financial performance and their cash flows for the year ended then. In ensuring the preparation of financial statements, the Directors have observed the following criteria: -

- (i) Adoption of suitable and appropriate accounting policies throughout the financial year;
- (ii) Application of reasonable and prudent judgements and estimates;
- (iii) Preparation of financial statements on a going concern basis; and
- (iv) Compliance with the application of approved accounting standards in Malaysia.

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

The Directors are also responsible for taking reasonable steps to ensure that adequate internal controls system is in place to safeguard the assets of the Group and the Company so as to minimise fraud and other irregularities.

The Directors are satisfied that the financial statements of the Group and the Company for the FYE 2022 are made in accordance with all applicable approved accounting standards, appropriate accounting policies and supported by reasonable and prudent judgments and estimates. The Directors have also confirmed that the financial statements have been prepared on a going concern basis.

FINANCIAL STATEMENTS



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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 2022.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company.

The principal activities of the subsidiary companies and associate company are disclosed in Note 8 and Note 9 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/(Loss) for the financial year attributable to:		
Owners of the Company	6,906,138	(1,253,638)
Non-controlling interests	534,199	-
	<u>7,440,337</u>	<u>(1,253,638)</u>

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 previous financial year. The Directors do not recommend any final dividend in respect of the current financial year.

DIRECTORS

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

Chong Chun Shiong *	(Appointed on 29 December 2021)
Lee Hai Peng	(Appointed on 7 July 2022)
Azian Binti Mohd Yusof	
Lim Chin Siu *	
Tan Chyi Boon *	
Chiau Haw Choon *	(Ceased on 7 July 2022)
Dato' Che Halin bin Mohd Hashim	
Fong Shin Ni	
Gan Teck Hooi	

DIRECTORS' REPORT

(cont'd)

DIRECTORS (CONT'D)

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:

Datuk Seri Chiau Beng Teik, JP
Tan Paw Boon
Cheong Kah Cheng
Liew Chee Ing
Low Jun Jia
Alberto C. Ato
Jose Fernando G. Llave

* 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 34(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 34(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 and warrants of the Company and of its related corporations during the financial year are as follows:

	<u>Number of ordinary shares</u>			<u>At</u> <u>31.03.2022</u>
	<u>At</u> <u>01.04.2021</u>	<u>Bought</u>	<u>Sold</u>	
<i>Interest in the Company:</i>				
<u>Direct interest:</u>				
Lim Chin Siu	7,725,000	23,640,000	-	31,365,000
Tan Chyi Boon	7,800,000	20,750,000	-	28,550,000
Chong Chun Shiong	2,595,000	5,000,000	-	7,595,000
Dato' Che Halin Bin Mohd Hashim	150,000	2,050,000	-	2,200,000
Fong Shin Ni	30,000	-	-	30,000
Chiau Haw Choon	-	8,060,000	7,500,000	560,000
<u>Deemed interest:</u>				
Lim Chin Siu*	222,651,982	-	50,000,000	172,651,982
Tan Chyi Boon*	222,651,982	-	50,000,000	172,651,982
Chiau Haw Choon [#]	166,962,000	32,821,600	48,586,636	151,196,964

DIRECTORS' REPORT

(cont'd)

DIRECTORS' INTEREST (CONT'D)

	<u>Number of redeemable preference shares</u>			
	At 01.04.2021	Bought	Sold	At 31.03.2022
<i>Interest in the Subsidiary:</i>				
<i>Atlantic Blue Sdn. Bhd.</i>				
<u>Direct interest:</u>				
Lim Chin Siu	1,554,639	-	-	1,554,639
Tan Chyi Boon	1,520,361	-	-	1,520,361

	<u>Number of Warrants A 2021/2026</u>			
	At 01.04.2021	Bought	Sold	At 31.03.2022
<i>Interest in the Company:</i>				
<u>Direct interest</u>				
Lim Chin Siu	1,875,000	-	-	1,875,000
Tan Chyi Boon	1,875,000	2,500,000	-	4,375,000
Dato' Che Halin Bin Mohd Hashim	37,500	-	-	37,500
Fong Shin Ni	7,500	-	7,500	-
Chong Chun Shiong	573,750	1,000,000	-	1,573,750
<u>Deemed interest:</u>				
Lim Chin Siu*	55,662,994	-	29,500,000	26,162,994
Tan Chyi Boon*	55,662,994	-	29,500,000	26,162,994
Chiau Haw Choon#	34,740,500	-	34,740,500	-

* 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 and warrants of the Company and its related corporations during the financial year.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and fully paid up ordinary shares from RM 98,420,543 to RM133,062,443 by way of: -

- (i) 900 new ordinary shares through the conversion of warrants at an issue price of RM1.00 per ordinary shares;
- (ii) 30,000,000 new ordinary shares through second tranche of private placement at issue price of RM1.01 per ordinary share; and
- (iii) 3,600,000 new ordinary shares through third tranche of private placement at issue price of RM1.25 per ordinary share.

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)

WARRANTS A 2021/2026

On 4 March 2021, the Company issued 105,655,906 free warrants pursuant to the bonus issue of warrants undertaken by the Company on the basis of 1 free warrant for every 4 existing shares held in the Company.

Subsequently pursuant to the bonus issue of shares, a total of 52,821,364 additional warrants has been issued on 24 March 2021.

The warrants entitled the registered holder, at any time within a period of 5 years including and commencing from the date of issuance of warrants and expiring on the close of business at 5.00p.m. in Malaysia on the date immediately preceding the 5th anniversary of the date of issuance of warrants, and if such date is not a market day, then on the preceding market day. In relation to this, the warrants were issued at an exercise price of RM1.00 each.

The movements in the warrants are as follows: -

	At 01.04.2021	Exercised	At 31.03.2022
Number of unexercised warrants	158,465,570	(900)	158,464,670

SHARES OPTION SCHEME

At an extraordinary general meeting held on 28 September 2020, the Company's shareholders approved the establishment of an Employee' Share Option Scheme ("ESOS") ("the Scheme") of not more than 15% of the issued share capital of the Company (excluding treasury shares), to eligible Executive Directors and employees of the Group.

The salient features of ESOS are as follows:

- (i) The total number of shares to be offered under ESOS shall not exceed 15% of the issued and paid-up share capital of the Company at any point in time during the existence of the Scheme;
- (ii) Only eligible Executive Directors and employees of the Company and of the Group will be eligible to participate in the Scheme;
- (iii) The option price for each ordinary share shall be at a discount of not more than 10% of the 5-day weighted average market price of the shares, as quoted on Bursa Malaysia Securities Berhad ("Bursa") immediately preceding the date of offer; and
- (iv) The options granted do not confer any dividend or other distribution declared to the shareholders as at a date which precedes the date of exercise of the option.

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

DIRECTORS' REPORT

(cont'd)

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 written off for bad debts and the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any material extent; or
- (ii) 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 21 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.

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.

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.

DIRECTORS' REPORT

(cont'd)

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 41 to the financial statements.

SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

Significant events occurring after the reporting period ended 31 March 2022 are disclosed in Note 42 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 31 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
7 July 2022

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 98 to 180 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

Tan Chyi Boon
Director

Lim Chin Siu
Director

Kuala Lumpur
7 July 2022

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 98 to 180 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

Tan Chyi Boon

Before me,

YM Tengku Nur Athiya Tengku Fariddudin
No. W881
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 2022 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 98 to 180.

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 2022, 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)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those 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

Recoverability of contract assets and trade receivables

Refer to Note 28.2 and Note 11 to the financial statements

As at 31 March 2022, the Group has contract assets and trade receivables relating to contracts with customers as follows:

- Contract assets of RM 62,142,159; and
- Trade receivables of RM 73,895,486.

Management assessed the expected credit loss of contract assets and trade receivables as at 31 March 2022 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.

How our audit addressed the 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 28 to the financial statements

For the financial year ended 31 March 2022, the Group recognised revenue from contracts with customers amounted to RM175,819,353. 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 relevant 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, which we obtained prior to date of our auditors' report, and the other sections of the annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon ("the other sections"), which are expected to be made available after that date.

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 on the other information that we obtained prior to date of our auditors' report, 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.

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)

- (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.
- (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.

INDEPENDENT AUDITORS' REPORT

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
7 July 2022

CHUA KAH CHUN
02696/09/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-current assets					
Property, plant and equipment	5	26,471,699	19,629,944	-	-
Investment properties	6	2,431,104	2,475,534	-	-
Intangible assets	7	195,081	330,039	-	-
Investment in subsidiaries	8	-	-	33,344,623	33,121,706
Investment in an associate	9	579,200	-	-	-
Deferred tax assets	10	814,248	6,690	-	-
Trade receivables	11	2,026,284	7,030,068	-	-
		32,517,616	29,472,275	33,344,623	33,121,706
Current assets					
Inventories	12	10,889,512	10,303,703	-	-
Trade receivables	11	71,869,202	44,981,754	-	-
Other receivables, deposits and prepayments	13	16,989,468	7,493,837	81,576	217,100
Contract cost	14	568,534	-	-	-
Contract assets	28.2	62,142,159	41,508,755	-	-
Amount owing by subsidiaries	15	-	-	94,020,626	45,248,160
Current tax assets		2,256,916	172,448	155,977	17,763
Short term investments	16	5,510,569	15,228,715	5,510,569	15,228,715
Fixed deposits with financial institutions	17	25,037,265	21,377,938	-	5,116,764
Cash and bank balances		25,788,121	55,595,130	203,973	1,034,015
		221,051,746	196,662,280	99,972,721	66,862,517
Total assets		253,569,362	226,134,555	133,317,344	99,984,223
Equity					
Share capital	18	133,062,443	98,420,543	133,062,443	98,420,543
Foreign currency translation reserve	19	(2,299)	18,080	-	-
Merger deficit		(25,261,600)	(25,261,600)	-	-
Retained earnings	20	65,095,805	58,189,667	192,302	1,445,940
		172,894,349	131,366,690	133,254,745	99,866,483
Non-controlling interests		2,746,805	995,308	-	-
Total equity		175,641,154	132,361,998	133,254,745	99,866,483

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2022
(cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Non-current liabilities					
Borrowings	21	2,628,231	2,941,992	-	-
Lease liabilities	22	9,120,450	6,889,437	-	-
Deferred tax liabilities	10	30,603	45,323	-	-
Redeemable preference shares	23	6,065,075	5,513,153	-	-
Contract liabilities	28.2	4,958,313	3,642,516	-	-
Trade payables	24	2,819,145	1,555,638	-	-
		25,621,817	20,588,059	-	-
Current liabilities					
Trade payables	24	36,480,359	50,196,998	-	-
Other payables, deposits received and accruals	25	4,076,327	9,554,803	62,599	117,740
Provisions	26	119,328	237,828	-	-
Borrowings	21	4,211,573	2,427,415	-	-
Lease liabilities	22	1,797,883	1,705,164	-	-
Contract liabilities	28.2	5,620,921	9,062,290	-	-
		52,306,391	73,184,498	62,599	117,740
Total liabilities		77,928,208	93,772,557	62,599	117,740
Total equity and liabilities		253,569,362	226,134,555	133,317,344	99,984,223

The notes to the financial statements form an integral part of the financial statement

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	28	175,819,353	224,286,938	126,998	10,000,000
Cost of sales		(140,899,443)	(183,205,886)	-	-
Gross profit		34,919,910	41,081,052	126,998	10,000,000
Other income	29	1,888,091	1,446,080	187,146	362,903
Administrative expenses		(23,118,465)	(19,204,088)	(1,624,018)	(1,130,231)
Sales and distribution costs		(754,120)	(957,304)	-	-
Net impairment on financial assets		172,724	2,161,479	-	-
Other expenses		-	(8,310)	-	-
Profit/(loss) from operations		13,108,140	24,518,909	(1,309,874)	9,232,672
Finance costs	30	(2,086,409)	(1,830,900)	-	-
Share of results of an associate		3,765	-	-	-
Profit/(loss) before tax	31	11,025,496	22,688,009	(1,309,874)	9,232,672
Taxation	32	(3,585,159)	(6,252,017)	56,236	(35,196)
Profit/(loss) for the financial year		7,440,337	16,435,992	(1,253,638)	9,197,476
Other comprehensive income:					
- Exchange translation differences for foreign operations		(57,940)	30,160	-	-
Total comprehensive income/(loss) for the financial year		7,382,397	16,466,152	(1,253,638)	9,197,476
Profit/(loss) for the financial year attributable to:					
Owners of the Company		6,906,138	16,146,589	(1,253,638)	9,197,476
Non-controlling interests		534,199	289,403	-	-
		7,440,337	16,435,992	(1,253,638)	9,197,476
Total comprehensive income/(loss) for the financial year attributable to:					
Owners of the Company		6,885,759	16,164,669	(1,253,638)	9,197,476
Non-controlling interests		496,638	301,483	-	-
		7,382,397	16,466,152	(1,253,638)	9,197,476
Earnings per share attributable to owners of the parent (sen per share):					
Basic	35	1.05	2.68		
Diluted	35	1.01	2.65		

The notes to the financial statements form an integral part of the financial statement

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022

	Attributable to owners of the Company							Total equity RM
	Non-distributable			Distributable		Equity attributable to owners of the Company RM	Non- controlling interests RM	
	Share capital RM	Merger deficit RM	Foreign currency translation reserve RM	Retained earnings RM				
Group								
Balance as at 1 April 2021	98,420,543	(25,261,600)	18,080	58,189,667	131,366,690	995,308		132,361,998
Contributions by and distributions to owners of the Company								
- Issuance of ordinary shares	34,800,900	-	-	-	34,800,900	-		34,800,900
- Share issue expenses	(159,000)	-	-	-	(159,000)	-		(159,000)
	34,641,900	-	-	-	34,641,900	-		34,641,900
Acquisition of a subsidiary	-	-	-	-	-	1,254,859		1,254,859
Profit for the financial year	-	-	-	6,906,138	6,906,138	534,199		7,440,337
Other comprehensive income for the financial year	-	-	(20,379)	-	(20,379)	(37,561)		(57,940)
Total comprehensive income	-	-	(20,379)	6,906,138	6,885,759	496,638		7,382,397
Balance as at 31 March 2022	133,062,443	(25,261,600)	(2,299)	65,095,805	172,894,349	2,746,805		175,641,154

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022
(cont'd)

Group	Attributable to owners of the Company								Total equity
	Non-distributable				Distributable				
	Share capital	Merger deficit	Foreign currency translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests		RM	
Note	RM	RM	RM	RM	RM	RM	RM	RM	
Balance as at 1 April 2020	59,841,993	(25,261,600)	-	46,269,315	80,849,708	364,356		81,214,064	
Contributions by and distributions to owners of the Company									
- Dividend paid	-	-	-	(4,226,237)	(4,226,237)	(90,000)		(4,316,237)	
- Issuance of ordinary shares	38,737,550	-	-	-	38,737,550	-		38,737,550	
- Share issue expenses	(159,000)	-	-	-	(159,000)	-		(159,000)	
	38,578,550	-	-	(4,226,237)	34,352,313	(90,000)		34,262,313	
Acquisition of a subsidiary	-	-	-	-	-	419,469		419,469	
Profit for the financial year	-	-	-	16,146,589	16,146,589	289,403		16,435,992	
Other comprehensive income for the financial year	-	-	18,080	-	18,080	12,080		30,160	
Total comprehensive income	-	-	18,080	16,146,589	16,164,669	301,483		16,466,152	
Balance as at 31 March 2021	98,420,543	(25,261,600)	18,080	58,189,667	131,366,690	995,308		132,361,998	

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2022
(cont'd)

	Note	Attributable to owners of the Company		Total equity RM
		Non- distributable Share capital RM	Distributable (Accumulated losses) /Retained earnings RM	
Company				
Balance as at 1 April 2020		59,841,993	(3,525,299)	56,316,694
<i>Contributions by and distributions to owners of the Company</i>				
- Dividend paid		-	(4,226,237)	(4,226,237)
- Issuance of ordinary shares	18	38,737,550	-	38,737,550
- Share issue expenses	18	(159,000)	-	(159,000)
		38,578,550	(4,226,237)	34,352,313
Net profit/Total comprehensive income for the financial year		-	9,197,476	9,197,476
Balance as at 31 March 2021/ 1 April 2021		98,420,543	1,445,940	99,866,483
<i>Contributions by and distributions to owners of the Company</i>				
- Issuance of ordinary shares	18	34,800,900	-	34,800,900
- Share issue expenses	18	(159,000)	-	(159,000)
		34,641,900	-	34,641,900
Net profit/Total comprehensive income for the financial year		-	(1,253,638)	(1,253,638)
Balance as at 31 March 2022		133,062,443	192,302	133,254,745

The notes to the financial statements form an integral part of the financial statement

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
Profit/(loss) before tax		11,025,496	22,688,009	(1,309,874)	9,232,672
Adjustments for :-					
Amortisation of intangible assets	7	134,958	134,966	-	-
Bad debts written off		149,143	-	-	-
Depreciation of investment properties	6	44,430	29,866	-	-
Depreciation of property, plant and equipment	5	3,347,073	2,631,157	-	-
Finance costs		1,534,486	1,329,204	-	-
Gain on remeasurement of right of use asset		(38,028)	-	-	-
Share of result of an associate		(3,765)	-	-	-
Unwinding discount on redeemable preference shares	23	551,922	501,696	-	-
(Gain)/Loss on disposal of property, plant and equipment		(191,149)	58,973	-	-
Net impairment gain on:					
- Trade receivables	11	(172,724)	(2,019,245)	-	-
- Contract assets	28	-	(69,600)	-	-
- Other receivables	13	-	(72,634)	-	-
Reversal for defects liabilities	26	(118,500)	(530,949)	-	-
Unrealised loss on foreign exchange		79,141	460,712	-	-
Finance income		(1,321,949)	(734,197)	(32,290)	(362,903)
Operating profit/(loss) before working capital changes		15,020,534	24,407,958	(1,342,164)	8,869,769
Changes in working capital:					
(Increase)/Decrease in inventories		(585,809)	9,512,107	-	-
(Increase)/Decrease in trade and other receivables		(31,334,358)	(12,270,078)	135,524	(89,540)
Increase in contract costs		(568,534)	-	-	-
Increase in contract assets		(20,633,404)	(19,083,350)	-	-
(Decrease)/Increase in trade and other payables, accruals and provisions		(18,010,749)	13,618,384	(55,141)	71,066
Decrease in contract liabilities		(2,125,572)	(4,578,170)	-	-
Increase in amount owing from subsidiary, net		-	-	(48,772,466)	(48,286,190)
Cash (used in)/generated from operations		(58,237,892)	11,606,851	(50,034,247)	(37,434,895)

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2022
(cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash (used in)/generated from operations (cont'd)		(58,237,892)	11,606,851	(50,034,247)	(37,434,895)
Finance costs paid		(1,534,486)	(1,329,204)	-	-
Interest received		1,300,593	705,767	32,290	362,903
Tax (paid)/refunded, net		(6,491,904)	(5,857,610)	(81,978)	(85,350)
Net cash (used in)/generated from operating activities		(64,963,689)	5,125,804	(50,083,935)	(37,157,342)
Cash flows from investing activities					
Acquisition of an associate		(575,435)	-	-	-
Acquisition of a subsidiary, net	9	-	744,866	(222,917)	(860,106)
Proceeds from disposal of other investment		-	200	-	-
Proceeds from disposal of property, plant and equipment		218,519	202,182	-	-
Acquisition of property, plant and equipment	(a)	(6,146,412)	(2,409,278)	-	-
Net cash used in investing activities		(6,503,328)	(1,462,030)	(222,917)	(860,106)
Cash flows from financing activities					
Increase in fixed deposits pledged		(9,637,878)	(5,116,114)	-	-
Net drawdown/(repayment) of bankers acceptance	(b)	3,898,000	(2,207,470)	-	-
Net drawdown/(repayment) of term loans	(b)	(309,524)	(298,703)	-	-
Proceeds from issuance of shares, net		34,641,900	38,578,550	34,641,900	38,578,550
Placement into sinking fund for banking facilities		(1,771,390)	-	-	-
Dividend paid		-	(4,226,237)	-	(4,226,237)
Dividend paid to a non-controlling interest in subsidiary		-	(90,000)	-	-
Repayment of lease liabilities, net	(b)	(1,708,026)	(1,225,250)	-	-
Subscription of new shares in a subsidiary by a non-controlling interest		1,254,859	-	-	-
Net cash generated from financing activities		26,367,941	25,414,776	34,641,900	34,352,313

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 March 2022
(cont'd)

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Net (decrease)/increase in cash and cash equivalents		(45,099,076)	29,078,550	(15,664,952)	(3,665,135)
Effects on foreign exchange rate		(57,940)	30,160	-	-
Cash and cash equivalents at beginning of the financial year		73,184,317	44,075,607	21,379,494	25,044,629
Cash and cash equivalents at end of the financial year	33	28,027,301	73,184,317	5,714,542	21,379,494

Note:

(a) Acquisition of property, plant and equipment

	Group	
	2022 RM	2021 RM
Purchase of property, plant and equipment	10,228,698	7,790,104
Financed by way of lease arrangements	(4,082,286)	(5,380,826)
Cash payments	6,146,412	2,409,278

(b) Changes in liabilities arising from financing activities

	At 1 April	Acquisition of new lease	Termination of lease	Net cash flows	At 31 March
	RM	RM	RM	RM	RM
Group					
2022					
Bankers' acceptance	-	-	-	3,898,000	3,898,000
Lease liabilities	8,594,601	4,082,286	(50,528)	(1,708,026)	10,918,333
Term loans	3,251,328	-	-	(309,524)	2,941,804
	11,845,929	4,082,286	(50,528)	1,880,450	17,758,137
2021					
Bankers' acceptance	2,207,470	-	-	(2,207,470)	-
Lease liabilities	4,439,025	5,380,826	-	(1,225,250)	8,594,601
Term loans	3,550,031	-	-	(298,703)	3,251,328
	10,196,526	5,380,826	-	(3,731,423)	11,845,929

The notes to the financial statements form an integral part of the financial statement

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main 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 L1-01, Pacific 63@PJ Centre, No. 5, Jalan 13/6, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.

The Company is principally an investment holding company. The principal activities of the subsidiary companies and associate company are disclosed in Note 8 and Note 9 to the financial statements. Except as disclosed in Note 8 and Note 9 to the financial statements, there have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7 July 2022.

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 2022 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.

2.1 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:

- Amendments to MFRS 4, 'Insurance Contracts' - Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 7, 'Financial Instruments: Disclosures' - Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 9, 'Financial Instruments' - Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 16, 'Leases' - Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 139, 'Financial Instrument: Recognition and Measurement' – Interest Rate Benchmark Reform (Phase 2)
- Amendments to MFRS 16, 'Lease' – Covid-19 Related Rent Concessions beyond 30 June 2021

The adoption of standards and amendments to published standards did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(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

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 2022

- Amendments to MFRS 1, 'First-time Adoption of Malaysian Financial Reporting Standards' – Subsidiary as a First-time Adopter
- Amendments to MFRS 3, 'Business Combinations' – Reference to the Conceptual Framework
- Amendments to MFRS 9, 'Financial Instruments' – Fees in the '10 percent' Test for Derecognition of Financial Liabilities
- 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' – Taxation in Fair Value
- Annual improvements to MFRSs standards 2018 - 2020

(ii) Effective for financial period beginning on or after 1 January 2023

- Amendments to MFRS 101, 'Presentation of Financial Statements' – Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements' – Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax related to Asset and Liabilities arising from a Single Transaction
- MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 (Comparative Information)

(iii) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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.

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 3.9 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 interests 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.1 Basis of consolidation (Cont'd)

(ii) Business combinations (Cont'd)

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.

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 interests 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.1 Basis of consolidation (Cont'd)

(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.

(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 Investment in associates

An associate is an entity over which the Group or the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The Group's or the Company's investment in associate is accounted for using the equity method. The associate is equity accounted for from the date of the Group or the Company gains significant influence or joint control until the date of the Group or the Company ceases to have significant influence over the associate.

Under the equity method, the investment in associate is initially recognised at cost. The carrying amount of the investment is adjusted for changes in the Group's or the Company's share of net assets of the associate since the acquisition date.

The statements of profit or loss and other comprehensive income reflects the Group's or the Company's share of the results of operation of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's or the Company's statement of comprehensive income. Where there has been a change recognised directly in the equity of the associate, the Group or the Company recognises its share of such changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from the transactions between Group or Company and the associate is eliminated to the extent of the investment in associate. The aggregate of the Group's or Company's share of profit or loss in associate is shown on the face of the statement of comprehensive income outside operating profit.

The Group's and the Company's share of profit or loss in associate represents profit or loss after tax and non-controlling interest in the associate.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.2 Investment in associates (Cont'd)

When the Group's or the Company's share of losses in an associate equals or exceeds its investment in associate, including any long term interests that, in substance, form part of the Group's or of the Company's net investment in associate, the Group or the Company does not recognise further losses, unless it has incurred obligations or made payment on behalf of the associate.

After application of the equity method, the Group or the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group or the Company determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If there is such evidence, the Group or the Company calculates the amount of impairment as the difference between recoverable amount of the associate and its carrying amount, then recognises the amount in the 'share of result of associate' on the face of the statements of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate, the Group or the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposals is recognised in the statements of profit or loss and other comprehensive income.

3.3 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.

3.4 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.4 Property, plant and equipment (Cont'd)

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

Depreciation of an asset begins when it is ready for its intended use. Freehold land has an infinite life and therefore is not depreciated. Solar assets under construction 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%
Buildings	2%
Furniture and fittings	10%
Machineries	20%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Signboard	10%
Solar asset	4%
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 3.9 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.

3.5 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, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.9 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.5 Investment properties (Cont'd)

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.

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 3.4 to the financial statements up to date of change in use.

3.6 Other investment

Other investment is carried at cost less any impairment losses. 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 3.9 to the financial statements.

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

3.7 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.

3.8 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.8 Intangible assets (Cont'd)

(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.

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.

3.9 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.9 Impairment of non-financial assets (Cont'd)

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.

3.10 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.

3.11 Contract costs

(i) Costs to fulfil a contract

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

These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

3.12 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:

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.12 Financial assets (Cont'd)

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

(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, except as disclose in Note 36.1 to the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.12 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 occurring 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.12 Financial assets (Cont'd)

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

(a) Financial assets other than trade receivables and contract assets (Cont'd)

- 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.

3.13 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.13 Financial liabilities (Cont'd)

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

(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.

3.14 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.15 Leases

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.16 Revenue and other operating income

(i) Revenue from contracts with customers

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.16 Revenue and other operating income (Cont'd)

(i) Revenue from contracts with customers (Cont'd)

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.16 Revenue and other operating income (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.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) Rental income

Revenue from rental of investment properties and property, plant and equipment is recognised on accrual basis.

(iv) 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 installment 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.17 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).

3.18 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.19 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.19 Taxes (Cont'd)

(ii) Deferred tax (Cont'd)

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

Deferred tax assets and deferred tax liabilities are offset, if 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 rate for Sales Tax is fixed at 5% or 10%, while the rate for Service Tax is fixed at 6%.

3.20 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.

3.21 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

3.21 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.

3.22 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 conditions 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 2022
(cont'd)

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

3.22 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.

3.23 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.

3.24 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.

3.25 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

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 to the financial statements.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(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 (Cont'd)

- **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

For the Financial Year Ended 31 March 2022
(cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group

2022	At 01.04.2021 RM	Additions RM	Disposals/ Reversal RM	Transfer to/ from RM	At 31.03.2022 RM
Cost					
Backup inverter	654,238	-	-	-	654,238
Building	5,740,046	2,778	(648,188)	-	5,094,636
Computers	609,275	125,284	-	-	734,559
Containers	549,887	-	-	-	549,887
Electrical and installation	129,352	159,375	-	103,986	392,713
Freehold buildings	1,966,095	-	-	-	1,966,095
Freehold land	842,613	-	-	-	842,613
Furniture and fittings	384,908	809,427	-	-	1,194,335
Leased land	2,145,630	3,367,386	-	-	5,513,016
Machineries	2,022,883	-	(12,889)	-	2,009,994
Motor vehicles	4,410,716	1,000,575	(542,681)	-	4,868,610
Office equipment	333,618	571,884	-	424,944	1,330,446
Renovation	1,103,803	467,420	-	706,319	2,277,542
Renovation in progress	1,153,130	82,119	-	(1,235,249)	-
Signboard	62,095	18,172	(7,400)	-	72,867
Solar asset	825,229	11,519	-	-	836,748
Solar farm	4,987,257	-	-	-	4,987,257
Tools and equipment	742,408	200,330	(10,030)	-	932,708
Solar farm under construction	-	2,106,594	-	-	2,106,594
Solar asset under construction	-	1,305,835	-	-	1,305,835
	28,663,183	10,228,698	(1,221,188)	-	37,670,693

2022	At 01.04.2021 RM	Charge for the year RM	Disposals/ Reversal RM	At 31.03.2022 RM
Accumulated Depreciation				
Backup inverter	196,264	65,423	-	261,687
Building	1,006,248	975,668	(635,688)	1,346,228
Computers	382,205	123,479	-	505,684
Containers	183,352	54,989	-	238,341
Electrical and installation	57,458	35,913	-	93,371
Freehold buildings	241,166	39,322	-	280,488
Furniture and fittings	186,734	105,585	-	292,319
Leased land	390,115	132,605	-	522,720

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

Group (Cont'd)

2022	At 01.04.2021 RM	Charge for the year RM	Disposals/ Reversal RM	At 31.03.2022 RM
Accumulated Depreciation (Cont'd)				
Machineries	1,281,277	395,124	-	1,676,401
Motor vehicles	2,741,330	705,167	(542,679)	2,903,818
Office equipment	157,726	123,251	-	280,977
Renovation	541,426	266,471	-	807,897
Signboard	28,947	6,748	(2,282)	33,413
Solar asset	13,630	33,417	-	47,047
Solar farm	1,396,278	199,490	-	1,595,768
Tools and equipment	229,083	84,421	(669)	312,835
Solar farm under construction	-	-	-	-
Solar asset under construction	-	-	-	-
	9,033,239	3,347,073	(1,181,318)	11,198,994

2021	At 01.04.2020 RM	Additions RM	Disposals RM	Transfer to investment properties RM	At 31.03.2021 RM
Cost					
Backup inverter	436,136	218,102	-	-	654,238
Building	952,120	4,787,926	-	-	5,740,046
Computers	682,869	7,346	(80,940)	-	609,275
Containers	576,667	-	(26,780)	-	549,887
Electrical and installation	129,352	-	-	-	129,352
Freehold buildings	3,214,410	-	-	(1,248,315)	1,966,095
Freehold land	1,377,605	-	-	(534,992)	842,613
Furniture and fittings	383,028	1,880	-	-	384,908
Leased land	2,145,630	-	-	-	2,145,630
Machineries	2,153,941	-	(131,058)	-	2,022,883
Motor vehicles	4,388,771	669,335	(647,390)	-	4,410,716
Office equipment	330,788	2,830	-	-	333,618
Renovation	1,103,883	-	(80)	-	1,103,803
Renovation in progress	-	1,153,130	-	-	1,153,130
Signboard	62,095	-	-	-	62,095
Solar asset	-	825,229	-	-	825,229
Solar farm	4,987,257	-	-	-	4,987,257
Tools and equipment	618,442	124,326	(360)	-	742,408
	23,542,994	7,790,104	(886,608)	(1,783,307)	28,663,183

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

Group (Cont'd)

2021	At 01.04.2020 RM	Change for the year RM	Disposals RM	Transfer to investment properties RM	At 31.03.2021 RM
Accumulated Depreciation					
Backup inverter	130,841	65,423	-	-	196,264
Building	332,780	673,468	-	-	1,006,248
Computers	274,796	114,441	(7,032)	-	382,205
Containers	134,004	52,880	(3,532)	-	183,352
Electrical and installation	44,523	12,935	-	-	57,458
Freehold buildings	328,063	58,739	-	(145,636)	241,166
Furniture and fittings	148,322	38,412	-	-	186,734
Leased land	292,587	97,528	-	-	390,115
Machineries	935,677	404,575	(58,975)	-	1,281,277
Motor vehicles	2,615,995	681,250	(555,915)	-	2,741,330
Office equipment	124,388	33,338	-	-	157,726
Renovation	431,048	110,378	-	-	541,426
Signboard	22,737	6,210	-	-	28,947
Solar asset	-	13,630	-	-	13,630
Solar farm	1,196,788	199,490	-	-	1,396,278
Tools and equipment	160,623	68,460	-	-	229,083
	7,173,172	2,631,157	(625,454)	(145,636)	9,033,239

	As at 31.03.2022 RM	As at 31.03.2021 RM
Net carrying amounts		
Backup inverter	392,551	457,974
Building	3,748,408	4,733,798
Computers	228,875	227,070
Containers	311,546	366,535
Electrical and installation	299,342	71,894
Freehold buildings	1,685,607	1,724,929
Freehold land	842,613	842,613
Furniture and fittings	902,016	198,174
Leased land	4,990,296	1,755,515
Machineries	333,593	741,606
Motor vehicles	1,964,792	1,669,386
Office equipment	1,049,469	175,892

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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

Group (Cont'd)

	As at 31.03.2022	As at 31.03.2021
	RM	RM
Net carrying amounts (Cont'd)		
Renovation	1,469,645	562,377
Renovation in progress	-	1,153,130
Signboard	39,454	33,148
Solar asset	789,701	811,599
Solar farm	3,391,489	3,590,979
Tools and equipment	619,873	513,325
Solar farm under construction	2,106,594	-
Solar asset under construction	1,305,835	-
	26,471,699	19,629,944

(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.

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 2020	2,145,630	952,120	133,079	2,934,206	6,165,035
Addition	-	4,787,926	-	669,335	5,457,261
Reclassified to property plant and equipment	-	-	-	(955,928)	(955,928)
At 31 March 2021/ 1 April 2021	2,145,630	5,740,046	133,079	2,647,613	10,666,368
Addition	3,367,386	2,778	-	786,725	4,156,889
Reclassified to property, plant and equipment	-	-	-	(134,758)	(134,758)
Reversal	-	(29,756)	-	-	(29,756)
Termination	-	(618,432)	-	-	(618,432)
At 31 March 2022	5,513,016	5,094,636	133,079	3,299,580	14,040,311

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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 (cont'd):-

	Leased land RM	Building RM	Computer RM	Motor Vehicle RM	Total RM
Accumulated depreciation					
At 1 April 2020	292,587	332,780	8,880	1,351,940	1,986,187
Depreciation charge	97,528	673,468	44,359	494,996	1,310,351
Reclassified to property plant and equipment	-	-	-	(732,750)	(732,750)
At 31 March 2021/ 1 April 2021	390,115	1,006,248	53,239	1,114,186	2,563,788
Depreciation charge	132,605	975,668	44,359	575,151	1,727,783
Reclassified to property plant and equipment	-	-	-	(98,823)	(98,823)
Reversal	-	(26,036)	-	-	(26,036)
Termination	-	(609,652)	-	-	(609,652)
At 31 March 2022	522,720	1,346,228	97,598	1,590,514	3,557,060
Net carrying amounts					
At 31 March 2022	4,990,296	3,748,408	35,481	1,709,066	10,483,251
At 31 March 2021	1,755,515	4,733,798	79,840	1,533,427	8,102,580

* 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 21 to the financial statements, is as follows:

	Group	
	2022 RM	2021 RM
Freehold buildings	1,685,607	1,724,929
Freehold land	842,613	842,613
	2,528,220	2,567,542

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

6. INVESTMENT PROPERTIES

Group	Freehold buildings RM	Freehold land RM	Total RM
Cost			
At 1 April 2020	973,154	-	973,154
Transfer from property, plant and equipment	1,248,315	534,992	1,783,307
At 31 March 2021/1 April 2021/31 March 2022	2,221,469	534,992	2,756,461
Accumulated depreciation			
At 1 April 2020	105,425	-	105,425
Depreciation charge for the year	29,866	-	29,866
Transfer from property, plant and equipment	145,636	-	145,636
At 31 March 2021/1 April 2021	280,927	-	280,927
Depreciation charge for the year	44,430	-	44,430
At 31 March 2022	325,357	-	325,357
Net carrying amounts			
At 31 March 2022	1,896,112	534,992	2,431,104
At 31 March 2021	1,940,542	534,992	2,475,534

At reporting date, the investment properties are commercial properties leased to third parties. The third-party lease was for a non-cancellable period of 2 to 3 (2021: 2 to 3) years, with future minimum lease payments. No contingent rents were charged.

The investment properties of the Group are pledged to secure banking facilities, as disclosed in Note 21 to the financial statements.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2022 RM	2021 RM
Rental income from external parties	148,800	93,000

The amount of operating expenses arising from investment properties are immaterial.

Fair value of investment properties are as follows:

	Group	
	Level 3 2022 RM	Level 3 2021 RM
	Freehold land buildings	2,577,234

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

6. INVESTMENT PROPERTIES (CONT'D)

The fair value represents the amounts at which the properties 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 properties as at 31 March 2022 were estimated by the Directors of the Group.

The future minimum lease receivables under leases from external parties are as follows:

	Group	
	2022	2021
	RM	RM
Not later than one year	153,000	144,000
More than one year to five years	-	153,000
	153,000	297,000

7. INTANGIBLE ASSETS

	Group			
	2022	2021		
	RM	RM		
Trademarks	362	477		
Software	194,719	329,562		
	195,081	330,039		
		Trademarks	Software	Total
		RM	RM	RM
Cost				
At 31 March 2021/1 April 2021/31 March 2022	1,150	674,215	675,365	
Accumulated amortisation				
At 1 April 2020	550	209,810	210,360	
Amortisation charge during the year	123	134,843	134,966	
At 31 March 2021/1 April 2021	673	344,653	345,326	
Amortisation charge during the year	115	134,843	134,958	
At 31 March 2022	788	479,496	480,284	
Net carrying amounts				
At 31 March 2022	362	194,719	195,081	
At 31 March 2021	477	329,562	330,039	

Software is acquired under lease arrangement as disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

8. INVESTMENT IN SUBSIDIARIES

	Company	
	2022	2021
	RM	RM
Unquoted shares, at cost		
At 1 April	33,121,706	28,261,600
Additions	222,917	4,860,106
At 31 March	33,344,623	33,121,706

Details of the subsidiaries are as follows:

Name of company	Country of incorporation	Effective interest		Principal activities
		2022	2021	
		%	%	
Direct subsidiaries				
Atlantic Blue Sdn. Bhd. ("Atlantic Blue")	Malaysia	100	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	100	Dormant
Solarvest Corp. ("Solarvest Phillipines") # @	Phillipines	99	99	Dormant
Solarvest (Vietnam) Corporate Limited ("Solarvest Vietnam") # @	Vietnam	100	-	Dormant
Solarvest Borneo Sdn. Bhd. ("Solarvest Borneo")	Malaysia	100	-	Dormant
Solarvest EE Sdn. Bhd. ("Solarvest EE") # ^	Malaysia	100	-	Dormant
Subsidiaries of Atlantic Blue				
Powertrack Sdn. Bhd. ("Powertrack")	Malaysia	100	100	Provision of design, testing and commissioning, and operations and maintenance of solar photovoltaic system
Solarvest Energy Sdn. Bhd. ("Solarvest Energy")	Malaysia	100	100	Provision of engineering, procurement, construction and commissioning services for solar photovoltaic systems
Serimas Energy (Manjung) Sdn. Bhd. ("Serimas Energy Manjung")	Malaysia	100	-	Dormant

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows (cont'd):

Name of company	Country of incorporation	Effective interest		Principal activities
		2022 %	2021 %	
Subsidiaries of Atlantic Blue (Cont'd)				
Sinarmas Energy (Api-Api) Sdn. Bhd. ("Sinarmas Api-Api")	Malaysia	100	-	Dormant
Suriamas Energy (Maritime) Sdn. Bhd. ("Suriamas Energy Maritime")	Malaysia	100	-	Dormant
Subsidiaries of Solarvest Energy				
Solarvest Energy (SR) Sdn. Bhd. ("Solarvest SR")	Malaysia	70	70	Provision of engineering procurement, construction and commissioning services for solar photovoltaic systems
Solarvest (Taiwan) Corporate Limited ("Solarvest Taiwan") # @	Taiwan	100	100	Dormant
Subsidiaries of Solarvest Asset Management				
SLV MFZ Holdings Sdn. Bhd. ("SLV MFZ") # ^	Malaysia	100	-	Dormant
Subsidiaries of Solarvest Taiwan				
Tailai Energy Co., Ltd. ("Tailai Energy") # @	Taiwan	51	51	Dormant
Huei Zhan Solar Energy Corporate Limited ("Huei Zhan") # @	Taiwan	100	-	Dormant
Guo Zhan Solar Energy Corporate Limited ("Guo Zhan") # @	Taiwan	100	-	Dormant
Solarvest Technology Corporate Limited ("Solarvest Technology") # @ (Formerly known as Li Da Energy Corporate Limited)	Taiwan	100	-	Dormant

Not audited by Ecovis Malaysia PLT.

^ Not required to be audited as of 31 March 2022 because it is newly incorporated. The unaudited management's financial statements of these subsidiaries were used by the Group in the consolidated financial statements.

@ Not required to be audited under laws of the country of incorporation as of 31 March 2022. The unaudited management's financial statements of these subsidiaries were used by the Group in the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Subscription of new ordinary shares issued by subsidiaries in 2022

- (i) On 28 April 2021, Atlantic Blue further subscribed for an additional 80,000 ordinary shares allotted by Powertrack for cash consideration of RM80,000.
- (ii) On 1 September 2021, Solarvest Energy, further subscribed for an additional 2,001,402 ordinary shares allotted by Solarvest Taiwan for total cash consideration of NT\$2,001,402.
- (iii) On 29 September 2021, Solarvest Taiwan further subscribed for an additional 867,000 ordinary shares allotted by Tailai Energy for cash consideration of NT\$8,670,000.

(b) Incorporation of subsidiaries in 2022

- (i) On 11 May 2021, Atlantic Blue has incorporated the following three (3) wholly-owned subsidiaries with total issued and paid-up share capital RM10,000 comprising of 10,000 ordinary shares, respectively:-
 - a) Serimas Energy (Manjung);
 - b) Sinarmas Energy (Api-Api); and
 - c) Suriamas Energy (Maritime).
- (ii) On 1 October 2021, the Company incorporated a wholly-owned subsidiary, Solarvest Borneo Sdn. Bhd. with a total issued and paid-up share capital of RM100 comprising of 100 ordinary shares.
- (iii) On 5 October 2021, Solarvest Taiwan has incorporated a wholly-owned subsidiary, Huei Zhan with total issued and paid-up share capital of NT\$5,000,000 (equivalent to approximately RM333,442) comprising of 500,000 ordinary shares.
- (iv) On 25 November 2021, Solarvest Taiwan has incorporated two wholly-owned subsidiaries, Guo Zhan and Solarvest Technology with total issued and paid-up share capital of NT\$100,000 (equivalent to approximately RM14,995) comprising of 10,000 ordinary shares, respectively.
- (v) On 16 November 2021, the Company has incorporated a wholly-owned subsidiary, Solarvest Vietnam with total issued and paid-up share capital of VND1,159,500,000 (equivalent to approximately RM212,817) comprising 1,159,500,000 ordinary shares.
- (vi) On 25 February 2022, the Company has incorporated a wholly-owned subsidiary, Solarvest EE with a total issued and paid-up share capital of RM10,000 comprising of 10,000 ordinary shares.
- (vii) On 25 February 2022, Solarvest Asset Management has incorporated a wholly-owned subsidiary, SLV MFZ with total issued and paid up share capital of RM10,000 comprising of 10,000 ordinary shares.

(c) Subscription of new ordinary shares issued by subsidiaries in 2021

- (i) On 24 August 2020, the Company further subscribed for an additional 4,000,000 ordinary shares allotted by Atlantic Blue at an issue price of RM1 each, by way of capitalisation of the amount owing by Atlantic Blue to the Company amounting to RM4,000,000.
- (ii) On 28 January 2021, Solarvest Energy further subscribed for an additional 400,000 ordinary shares allotted by Solarvest Taiwan for cash consideration of RM578,448.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

8. INVESTMENT IN SUBSIDIARIES (CONT'D)

(d) Acquisition of subsidiaries in 2021

On 6 November 2020, Solarvest Taiwan subscribed a total of 306,000 ordinary shares of Tailai Energy Co. Ltd. for a total cash consideration of RM427,191 to acquire 51% interest in the subsidiary.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date:

	Group 2021 RM
Fair value of consideration transferred	
Cash and cash equivalent	427,191
Identifiable assets acquired and liabilities assumed	
Other receivables	740
Cash and cash equivalent	1,172,057
Other payables	(326,137)
Total identifiable net assets	846,660
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	(427,191)
Cash and cash equivalents acquired	1,172,057
	744,866

(e) Incorporation of subsidiaries in 2021

On 17 December 2020, the Company incorporated a wholly owned subsidiary, Solarvest Corp. by subscribing a total of 9,726,803 ordinary shares for a total cash consideration of RM860,106.

(f) Non-controlling interests

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

9. INVESTMENT IN AN ASSOCIATE

	Group	
	2022 RM	2021 RM
Unquoted shares, at cost		
At 1 April	-	-
Acquisition of an associate		
- Outside Malaysia	575,435	-
At 31 March	575,435	-
Share of post-acquisition reserve	3,765	-
	579,200	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

9. INVESTMENT IN AN ASSOCIATE (CONT'D)

Details of the associate is as follows:-

Name of associate	Country of incorporation	Effective interest		Principal activities
		2022 %	2021 %	

Held through Solarvest Taiwan

Xu Guang Corporate Taiwan Limited ("Xu Guang") # @	Taiwan	49	-	Provision of engineering services and wholesale of electrical appliances
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Not audited by Ecovis Malaysia PLT

@ Not required to be audited under laws of the country of incorporation as of 31 March 2022. The unaudited management's financial statements of the associate were used by the Group in applying equity method of accounting.

(a) Acquisition of an associate

On 6 December 2021, Solarvest Taiwan acquired 3,920,000 ordinary shares representing 49% of total paid-up share capital of Xu Guang for a total cash consideration of NT\$3,920,000 (equivalent to approximately RM575,435).

10. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

	Group	
	2022 RM	2021 RM
Deferred tax assets	814,248	6,690
Deferred tax liabilities	(30,603)	(45,323)
	783,645	(38,633)
Deferred tax assets (before offsetting):		
Contract liabilities	170,118	9,557
Impairment loss on trade receivables	43,015	43,015
Provisions	100,105	100,105
Property, plant and equipment	650,590	6,690
	963,828	159,367
Offsetting	(149,580)	(152,677)
Deferred tax assets (after offsetting)	814,248	6,690
Deferred tax liabilities (before offsetting):		
Property, plant and equipment	180,183	198,000
	180,183	198,000
Offsetting	(149,580)	(152,677)
Deferred tax liabilities (after offsetting)	30,603	45,323

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

10. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

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 2020		25,978	134,076	319,778	501,607	(313,136)	668,303
Credited/(charged) to profit and loss:							
- origination and reversal of temporary differences	32	(16,421)	(134,076)	(276,783)	(401,502)	121,826	(706,936)
At 31 March 2021/1 April 2021		9,557	-	43,015	100,105	(191,310)	(38,633)
Credited/(charged) to profit and loss:							
- origination and reversal of temporary differences	32	113,859	-	-	-	661,717	775,576
- Underprovision in prior year	32	46,702	-	-	-	-	46,702
At 31 March 2022		170,118	-	43,015	100,105	470,407	783,645

11. TRADE RECEIVABLES

	Note	Group	
		2022 RM	2021 RM
Non-current:			
Receivables from contracts with customers			
- external parties	(a)	-	32,619
Retention sum receivables			
- external parties		1,622,934	6,654,600
- related parties		403,350	342,849
		2,026,284	7,030,068

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

11. TRADE RECEIVABLES (CONT'D)

	Note	Group	
		2022 RM	2021 RM
Current:			
Receivables from contracts with customers			
- external parties	(a)	66,200,762	43,513,685
- related parties		31,390	-
Retention sum receivables			
- external parties		5,646,334	1,650,077
		71,878,486	45,163,762
Less: Impairment loss		(9,284)	(182,008)
		71,869,202	44,981,754
Total trade receivables		73,895,486	52,011,822
Retention sum receivable		(7,672,618)	(8,647,526)
Trade receivables at amortised cost		66,222,868	43,364,296
At amortised cost:			
Receivable within one year		66,222,868	43,331,677
Receivable after one year		-	32,619
		66,222,868	43,364,296

(a) Trade receivables on deferred payment terms

The Group has arranged for past due receivables amounting to RM2,061,981 (2021: RM1,612,577) at reporting date to settle their balances under monthly instalment agreement with annual interest rates ranging from 0% to 5% (2021: 0% to 5%) and tenure ranging between 12 and 60 months (2021: 12 and 60 months).

Analysis of trade receivables on deferred payment terms are as follows:

	Group	
	2022 RM	2021 RM
Nominal value		
At 1 April	1,639,403	518,760
Addition	1,874,047	1,286,765
Repayment	(1,448,571)	(166,122)
At 31 March	2,064,879	1,639,403

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

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 (cont'd):

	Group	
	2022	2021
	RM	RM
Discount		
At 1 April	26,826	84,901
Less: Unwinding of discount (Note 29)	(2,572)	(28,430)
Less: Interest income (Note 29)	(21,356)	(29,645)
At 31 March	2,898	26,826
Carrying amount at end of the financial year	2,061,981	1,612,577

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' (2021: 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 RM9,284 (2021: RM182,008) 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	Specific allowance	Total
	RM	RM	RM
Group			
At 1 April 2020	674,662	1,526,591	2,201,253
Charge for the year (Note 31)	-	3,182	3,182
Reversal for the year (Note 31)	(669,945)	(1,352,482)	(2,022,427)
At 31 March 2021/1 April 2021	4,717	177,291	182,008
Charge for the year (Note 31)	-	2,500	2,500
Reversal for the year (Note 31)	(468)	(25,613)	(26,081)
Written off for the year (Note 31)	-	(149,143)	(149,143)
At 31 March 2022	4,249	5,035	9,284

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

12. INVENTORIES

	Group	
	2022	2021
	RM	RM
Purchased materials	10,889,512	10,303,703

Inventories recognised as cost of sales in the current financial year by the Group is RM93,988,262 (2021: RM114,727,245).

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Other receivables				
- third parties	872,882	545,228	63,695	26,500
Deposits	1,969,731	1,116,183	1,000	1,000
Prepayments	14,146,855	5,832,426	16,881	189,600
	16,989,468	7,493,837	81,576	217,100
Less: Impairment losses	-	-	-	-
	16,989,468	7,493,837	81,576	217,100

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total other receivables, deposits and prepayments	16,989,468	7,493,837	81,576	217,100
Less: GST receivable	(94,827)	(94,827)	-	-
Less: Prepayments	(14,146,555)	(5,832,426)	(16,881)	(189,600)
Total other receivables and deposits carried at amortised cost	2,748,086	1,566,584	64,695	27,500

Movement of impairment loss on other receivables is as follows:

	Group	
	2022	2021
	RM	RM
Balance at 1 April	-	72,634
Reversal during the financial year	-	(72,634)
Balance at 31 March	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

The currency profile of the other receivables are summarised below:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	871,105	543,451	63,695	26,500
United States Dollar	1,777	1,777	-	-
	872,882	545,228	63,695	26,500

14. CONTRACT COSTS

	Group	
	2022	2021
	RM	RM
Cost to fulfil a contract	568,534	-

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

15. AMOUNT OWING BY/(TO) SUBSIDIARIES

Amount owing by/(to) subsidiaries is unsecured, interest free and repayable/(payable) on demand in cash and cash equivalents.

16. SHORT TERM INVESTMENTS

	Group and Company	
	2022	2021
	RM	RM
Fair value through profit or loss	5,510,569	15,228,715

This represents investment in money market fund and cash fund in Malaysia.

17. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

Fixed deposits held by the Group and the Company amounting to RM25,037,265 (2021: RM15,399,387) are pledged to financial institutions for bank facilities granted to the Group and the Company as disclosed in Note 21 to the financial statements.

At reporting date, the weighted average interest rate of fixed deposits of the Group and of the Company is 1.64% and Nil (2021: 1.70% and 1.56%) respectively and tenure range between 1 to 12 (2021: 1 to 12) months.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

18. SHARE CAPITAL

	Group and the Company			
	2022		2021	
	Number of shares	RM	Number of shares	RM
Issued and fully paid up:				
Balance at 1 April	633,953,028	98,420,543	390,623,655	59,841,993
Issued during the financial year	33,600,900	34,800,900	243,329,373	38,737,550
Share issuance expenses	-	(159,000)	-	(159,000)
Balance at 31 March	667,553,928	133,062,443	633,953,028	98,420,543

During the financial year, the Company increased its issued and fully paid up ordinary shares from RM 98,420,543 to RM133,062,443 by way of: -

- (i) 900 new ordinary shares through the conversion of warrants at an issue price of RM1.00 per ordinary shares;
- (ii) 30,000,000 new ordinary shares through second tranche of private placement at issue price of RM1.01 per ordinary share; and
- (iii) 3,600,000 new ordinary shares through third tranche of private placement at issue price of RM1.25 per ordinary share.

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

The holders of ordinary shares are 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.

19. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

20. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

21. BORROWINGS

	Group	
	2022	2021
	RM	RM
Non-current:		
Term loans		
- later than one year and not later than two years	324,592	313,329
- later than two years and not later than five years	1,054,870	1,013,731
- later than five years	1,248,769	1,614,932
	2,628,231	2,941,992
Current:		
Bank overdraft	-	2,118,079
Banker's acceptance	3,898,000	-
Term loans	313,573	309,336
	4,211,573	2,427,415
Total borrowings	6,839,804	5,369,407

Above borrowings are secured by:

- (i) Freehold land and buildings as disclosed in Note 5 and 6 to the financial statements;
- (ii) Fixed deposits with financial institutions as disclosed in Note 17 to the financial statements;
- (iii) Corporate guarantee by a subsidiary and a related party of the Company;
- (iv) Fixed charge over a sinking fund account as disclosed in Note 33 to the financial statements; and
- (v) 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 borrowings of the Group as at reporting date are as follows:

	Group	
	2022	2021
	%	%
Banker's acceptance	3.10% - 3.18%	-
Bank Overdraft	-	6.92% - 7.20%
Term loans	3.17% - 6.92%	3.17% - 6.92%

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

22. LEASE LIABILITIES

	Group	
	2022	2021
	RM	RM
Future minimum lease payments:		
- not later than one year	2,256,168	2,102,507
- later than one year and not later than five years	5,877,723	5,489,753
- later than five years	6,014,623	3,032,350
	14,148,514	10,624,610
Less: Finance charges	(3,230,181)	(2,030,009)
Present value of lease liabilities	10,918,333	8,594,601
Non-current:		
- later than one year and not later than five years	3,778,401	4,394,354
- later than five years	5,342,049	2,495,083
	9,120,450	6,889,437
Current:		
- not later than one year	1,797,883	1,705,164
Total lease liabilities	10,918,333	8,594,601

The lease liabilities bear effective annual interest rate as at end of the reporting period range from 2.28% to 6.89% (2021: 2.28% to 6.89%) per annum.

The following are the amounts recognised in profit or loss in relation to leases as a lessee:-

	Group	
	2022	2021
	RM	RM
Depreciation of right of use assets	1,727,783	1,310,351
Interest expense on lease liabilities	424,779	318,249
Gain on remeasurement of right of use asset	(38,028)	-
Expense relating to short term lease and low value assets	1,084,840	554,403
	3,199,374	2,183,003

Total cash outflows for leases as a lessee of the Group amounted to RM3,217,645 (2021: RM2,097,902), including expenses relating to short term lease and low value assets.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

23. REDEEMABLE PREFERENCE SHARES

	Group	
	2022	2021
	Number of shares	Number of shares
Issued and fully paid-up shares classified as debt instruments:		
At 1 April/31 March	7,200,000	7,200,000
Nominal value		
At 1 April/31 March	7,200,000	7,200,000
Discount		
At 1 April	1,686,847	2,188,543
Less: Unwinding of discount	(551,922)	(501,696)
At 31 March	1,134,925	1,686,847
Net carrying amounts	6,065,075	5,513,153

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; and
- (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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

24. TRADE PAYABLES

	Group	
	2022 RM	2021 RM
Non-current:		
Retention sum payables	2,819,145	1,555,638
Current:		
Trade payables	31,825,464	47,148,346
Retention sum payables	1,869,704	2,054,873
Accruals	2,785,191	993,779
	36,480,359	50,196,998
Total trade payables	39,299,504	51,752,636
Total retention sum payables	(4,688,849)	(3,610,511)
Trade payables at amortised cost	34,610,655	48,142,125

The currency profile of the trade payables are summarised below:

	Group	
	2022 RM	2021 RM
Ringgit Malaysia	19,838,345	31,364,616
United States Dollar	19,461,159	20,388,020
	39,299,504	51,752,636

Trade payables are non-interest bearing. The normal credit terms granted to the Group range from 30 to 90 (2021: 30 to 90) days.

25. OTHER PAYABLES, DEPOSITS RECEIVED AND ACCRUALS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Other payables	1,784,281	7,251,268	21,599	79,740
Accruals	2,189,641	1,933,223	41,000	38,000
Deposit received	102,405	370,312	-	-
	4,076,327	9,554,803	62,599	117,740

Other payables are non-interest bearing and have an average term of 3 months (2021: 3 months).

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For the Financial Year Ended 31 March 2022
(cont'd)

26. PROVISIONS

	Group	
	2022	2021
	RM	RM
Provision for defects liabilities	119,328	237,828

Movement of provision for defects liability during the financial year:

	Group	
	2022	2021
	RM	RM
At 1 April	237,828	768,777
Reversal made during the year	(118,500)	(530,949)
At 31 March	119,328	237,828

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 1 year from the reporting period.

27. CAPITAL COMMITMENT

The amount of capital commitment not provided for in the financial statements as at 31 March 2022 is as follows:

	Group	
	2022	2021
	RM	RM
Property, plant and equipment		
Contracted but not provided for	51,688,270	1,034,795

28. REVENUE

	Group	
	2022	2021
	RM	RM
Revenue from contracts with customers	175,819,353	224,286,938

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For the Financial Year Ended 31 March 2022
(cont'd)

28. REVENUE (CONT'D)

28.1 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:

	Investment holding	EPCC of solar energy solution	Operations and maintenance of solar energy system (note (a))	Sale of electricity through solar energy generation	Others (note (b))	Total
	RM	RM	RM	RM	RM	RM
Group						
2022						
Segment revenue	126,998	197,707,844	5,931,149	1,691,812	512,666	205,970,469
Intercompany revenue	-	(28,250,560)	(1,900,556)	-	-	(30,151,116)
	126,998	169,457,284	4,030,593	1,691,812	512,666	175,819,353
Timing of revenue recognition:						
- At a point in time	126,998	-	-	-	512,666	639,664
- Over time	-	169,457,284	4,030,593	1,691,812	-	175,179,689
	126,998	169,457,284	4,030,593	1,691,812	512,666	175,819,353
2021						
Segment revenue	10,000,000	244,752,110	3,000,193	1,733,997	6,256,132	265,742,432
Intercompany revenue	(10,000,000)	(30,807,349)	(648,145)	-	-	(41,455,494)
	-	213,944,761	2,352,048	1,733,997	6,256,132	224,286,938
Timing of revenue recognition:						
- Over time	-	213,944,761	2,352,048	1,733,977	6,256,132	224,286,938

(a) Revenue from operations and maintenance of solar energy system included an amount of RM1,649,525 (2021: RM1,131,135) 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.

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For the Financial Year Ended 31 March 2022
(cont'd)

28. REVENUE (CONT'D)

28.2 Contract assets and contract liabilities

	Note	Group	
		2022 RM	2021 RM
Contract assets	(a)	62,142,159	41,508,755
Contract liabilities	(a)	10,579,234	12,704,806

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

	Contract assets Increase/ (Decrease) RM	Contract liabilities Increase/ (Decrease) RM
Group		
2022		
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	(6,256,115)
Increase due to progress billings but revenue not recognised	-	4,130,543
Increase due to unbilled revenue recognised during the year	46,589,039	-
Transfer from contract assets recognised at the beginning of the year to receivables	(25,955,635)	-
2021		
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	(9,748,682)
Increase due to progress billings but revenue not recognised	-	5,170,512
Increase due to unbilled revenue recognised during the year	37,451,708	-
Transfer from contract assets recognised at the beginning of the year to receivables	(18,368,358)	-
Impairment gain on contract assets	69,600	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

28. REVENUE (CONT'D)

28.2 Contract assets and contract liabilities (Cont'd)

(a) Significant changes in contract balances (Cont'd)

Movement of impairment loss on contract assets is as follows:

	Group	
	2022 RM	2021 RM
Balance as at 1 April	-	69,600
Net impairment gain during the financial year	-	(69,600)
Balance as at 31 March	-	-

(b) Transaction price allocated to remaining performance obligations

The Group expect to recognise revenue from contract liabilities for services-type warranty as follows:

	2023	2024	2025	2026	2027	More than 5 years	Total
	RM	RM	RM	RM	RM	RM	RM
2022							
Group	708,660	1,473,472	1,656,743	533,337	674,781	621,479	5,668,472
2021							
Group	1,786,898	1,614,855	1,007,796	285,164	184,224	550,476	5,429,413

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.

28.3 Revenue recognised by the Company

Revenue recognised by the Company are fair value gain on short term investment, amounting to RM126,988 (2021: RM Nil) and dividend income received from subsidiary company amounting to RM Nil (2021 : RM 10,000,000).

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

29. OTHER INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bad debts recovered	36,957	10,000	-	-
Finance income:				
- Interest income on fixed deposits	414,885	378,126	28,344	121,463
- Interest income on trade receivables (Note 11)	21,356	29,645	-	-
- Unwinding discount on trade receivables (Note 11)	2,572	28,430	-	-
- Interest income on bank deposits	31,665	58,577	3,946	2,021
- Interest income on short term investment	154,856	239,419	154,856	239,419
Gain on disposal of property, plant and equipment	191,149	-	-	-
Gain on remeasurement of right of use assets	38,028	-	-	-
Late payment interest income	696,615	-	-	-
Other income	148,208	108,859	-	-
Realised gain on foreign exchange	-	445,225	-	-
Rental income:				
- Investment property	148,800	96,000	-	-
- Hostel	3,000	6,500	-	-
- Motor vehicles	-	45,299	-	-
	1,888,091	1,446,080	187,146	362,903

30. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Bank overdraft interest	221,300	194,451
Lease liabilities interest	424,779	318,249
Term loan interest	123,603	137,046
Trade facilities interest and commission		
- Bankers' acceptance interest	98,775	65,945
- Local bill purchase interest	10,688	292,559
- Letter of credit commission	95,967	111,015
- Letter of guarantee commission	482,057	209,939
- Invoice financing interest	77,319	-
Unwinding discount on redeemable preference shares	551,921	501,696
	2,086,409	1,830,900

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

31. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit/(Loss) before tax is arrived at after charging/(crediting):				
Amortisation of intangible assets (Note 7)	134,958	134,966	-	-
Auditors' remuneration				
- Current year	177,000	173,000	20,000	20,000
- Overprovision in previous year	(1,000)	(7,000)	-	-
Bad debts written off	149,143	-	-	-
Depreciation of investment properties (Note 6)	44,430	29,866	-	-
Depreciation of property, plant and equipment (Note 5)	3,347,073	2,631,157	-	-
Incorporation fee	8,642	-	-	-
Loss on disposal of property, plant and equipment	-	58,973	-	-
Loss on foreign exchange, net				
- realised	557,274	262,647	-	-
- unrealised	79,142	460,712	-	-
Net impairment gain on contract assets:				
- specific allowances (Note 28)	-	(69,600)	-	-
Net impairment gain on trade receivables:				
- lifetime ECL allowances (Note 11)	(468)	(669,945)	-	-
- specific allowances (Note 11)	(172,256)	(1,349,300)	-	-
Net impairment gain on other receivables	-	(72,634)	-	-
Reversal for defect liabilities (Note 26)	(118,500)	(530,949)	-	-
Rental of: ¹				
- computer	92,401	45,574	-	-
- equipment	43,616	92,624	-	-
- hostel	201,830	294,389	-	-
- office	38,768	61,485	-	-
- machinery	697,429	60,331	-	-
- others	10,796	-	-	-
Staff costs:				
- Salaries, wages, bonuses and allowance	11,359,386	9,609,743	-	-
- defined contribution plan	1,391,580	1,187,569	-	-
- social security contribution	141,931	129,252	-	-
- other employee benefits	628,763	682,389	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

31. PROFIT /(LOSS) BEFORE TAX (CONT'D)

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Expenses recognised in cost of sales:				
Depreciation of property, plant and equipment	271,641	248,243	-	-
Reversal for defect liabilities	(118,500)	(530,949)	-	-
Rental of: ¹				
- machinery	697,429	60,331	-	-
Staff costs:				
- Salaries, wages, bonuses and allowance	2,607,163	2,341,692	-	-
- defined contribution plan	315,028	293,623	-	-
- social security contribution	41,093	40,395	-	-
- other employee benefits	137,184	205,292	-	-

¹ These amounts represent short-term leases and leases for low value underlying assets under MFRS 16.

32. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Income tax:				
Current year provision	3,723,534	5,566,790	-	85,218
Under/(over) provision in prior year	683,903	(21,709)	(56,236)	(50,022)
Deferred tax: (Note 10)				
Origination and reversal of temporary differences	(775,576)	706,936	-	-
Underprovision in prior years	(46,702)	-	-	-
	3,585,159	6,252,017	(56,236)	35,196

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

32. TAXATION (CONT'D)

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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Profit/(loss) before tax	11,025,496	22,688,009	(1,309,874)	9,232,672
Malaysian statutory tax rate of 24% (2021: 24%)	2,646,119	5,445,122	(314,370)	2,215,841
Tax effect of:				
Income exempted from taxation	(259,004)	(278,765)	-	-
Non-taxable income	(117,181)	(138,859)	(67,645)	(2,400,000)
Non-deductible expenses	779,910	1,150,105	382,015	269,377
Deferred tax asset unrecognised during the year	-	96,123	-	-
Under/(over)provision of income tax in prior year	683,903	(21,709)	(56,236)	(50,022)
Underprovision of deferred tax in prior year	(46,702)	-	-	-
Utilisation of previously unrecognised deferred tax assets	(101,846)	-	-	-
Taxation for the financial year	3,585,159	6,252,017	(56,236)	35,196

Deferred tax assets are recognised for all deductible temporary differences available for offsetting against probable future taxable profit. As at 31 March 2022, 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	
	2022	2021
	RM	RM
Unrecognised deferred tax asset:		
Unutilised tax losses	420,631	844,991

The unutilised tax losses are available to offset against future taxable profits of the Company, subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority. These tax benefits will only be obtained if the Company derive future assessable income of a nature and amount sufficient for the tax benefits to be utilised.

With effect from the year of assessment ("YA") 2019, unutilised business losses to be carried forward for 10 consecutive YAs (previously 7 YAs). Unutilised losses can be set off against income from any business source for 10 YAs. If there is a substantial change in shareholders of the companies, the unutilised losses will be disregarded.

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(cont'd)

32. TAXATION (CONT'D)

	Group	
	2022	2021
	RM	RM
Unutilised tax losses to be carried forward until:		
YA 2030	20,118	444,478
YA 2031	400,513	400,513

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 2020 to 31 December 2024. Under the pioneer status, the profit derived from that activity is exempted from tax.

33. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Cash and bank balances	22,516,731	54,095,130	203,973	1,034,015
Sinking fund account	3,271,390	1,500,000	-	-
Fixed deposits with financial institutions	25,037,265	21,377,938	-	5,116,764
Short term investments	5,510,570	15,228,715	5,510,569	15,228,715
	56,335,956	92,201,783	5,714,542	21,379,494
Less: Fixed deposit pledged to financial institutions	(25,037,265)	(15,399,387)	-	-
Less: Sinking fund account	(3,271,390)	(1,500,000)	-	-
Less: Bank overdraft	-	(2,118,079)	-	-
	28,027,301	73,184,317	5,714,542	21,379,494

(a) Sinking fund account

Cash at bank in the Group as at year end includes an amount of RM2,146,390 (2021: RM1,500,000) consisting of a percentage of proceeds from previous EPCC contracts as security for borrowings disclosed in Note 21 to the financial statements.

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For the Financial Year Ended 31 March 2022
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33. CASH AND CASH EQUIVALENTS (CONT'D)

The currency exposure profile of cash and bank balances are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Ringgit Malaysia	48,037,758	73,202,460	5,714,542	21,379,494
US Dollar	207,667	1,738,262	-	-
New Taiwan Dollar	1,509,623	1,172,240	-	-
Philippine Peso	860,106	860,106	-	-
Vietnamese Dong	210,233	-	-	-
	50,825,387	76,973,068	5,714,542	21,379,494

34. 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	
	2022	2021
	RM	RM
Companies in which certain Directors of the Group have financial interest:		
<u>Trade transactions:</u>		
Sales	677,342	93,617
Companies in which close family member of certain Directors of the Group have financial interest :		
<u>Trade transactions:</u>		
Sales	450	-
Rental income	9,000	9,000
Transaction with Directors:		
<u>Trade transactions:</u>		
Sales	31,390	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

34. RELATED PARTY DISCLOSURES (CONT'D)

(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	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors:-				
<u>Directors' compensation:</u>				
Directors' fees	144,000	96,000	-	-
Salaries and bonus received	1,704,000	1,171,406	-	-
Defined contribution plan	204,480	129,720	-	-
Social security contribution	2,770	2,770	-	-
Benefits-in-kind	153,523	123,880	-	-
	2,208,773	1,523,776	-	-
Non-executive Directors:-				
<u>Directors' compensation:</u>				
Directors' fees	192,000	177,000	192,000	177,000
Other benefits	9,000	12,500	9,000	12,500
	201,000	189,500	201,000	189,500
Other Key Management Personnel:-				
Salaries, bonus and commission received	965,735	-	-	-
Defined contribution plan	104,834	-	-	-
Social security contribution	2,232	-	-	-
Benefits-in-kind	20,176	-	-	-
	1,092,977	-	-	-

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For the Financial Year Ended 31 March 2022
(cont'd)

35. EARNINGS PER SHARE

(a) Basic EPS

The basic earnings per share ("EPS") has been calculated by dividing the Group's net profit after tax 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	
	2022	2021
Profit for the financial year attributable to owners of the Company (RM)	6,906,138	16,146,589
Weighted average number of ordinary shares in issue (unit)	655,619,635	602,506,019
Basic earnings per share (sen)	1.05	2.68

(b) Diluted EPS

For the purpose of calculating diluted earnings per share, the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2022	2021
Profit for the financial year attributable to owners of the Company (RM)	6,906,138	16,146,589
Weighted average number of ordinary shares in issue (units)	655,619,635	602,506,019
Effects for dilution on conversion of warrants (units)	31,343,619	5,693,399
Adjusted weighted average number of ordinary shares in issue and issuable (units)	686,963,254	608,199,418
Diluted earnings per share (sen)	1.01	2.65

36. FINANCIAL INSTRUMENTS

36.1 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

36. FINANCIAL INSTRUMENTS (CONT'D)

36.1 Classification of financial instruments (Cont'd)

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	
	2022 RM	2021 RM	2022 RM	2021 RM
Financial assets				
<u>Fair value through profit or loss</u>				
Short term investment	5,510,569	15,228,715	5,510,569	15,228,715
<u>Financial assets at amortised cost</u>				
Trade receivables	66,222,868	43,364,296	-	-
Other receivables and deposits	2,748,086	1,566,584	64,695	27,500
Contract assets	62,142,159	41,508,755	-	-
Amount owing by subsidiaries	-	-	94,020,626	45,248,160
Fixed deposits with financial institutions	25,037,265	21,377,938	-	5,116,764
Cash and bank balances	25,788,121	55,595,130	203,973	1,034,015
	181,938,499	163,412,703	94,289,294	51,426,439
Financial liabilities				
<u>Financial liabilities at amortised cost</u>				
Trade payables	34,610,655	48,142,125	-	-
Other payables and accruals	4,076,327	9,554,803	62,599	117,740
Borrowings	6,839,804	5,369,407	-	-
Redeemable preference shares	6,065,075	5,513,153	-	-
Lease liabilities	10,918,333	8,594,601	-	-
	62,510,194	77,174,089	62,599	117,740

37. 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 Chief Executive Officer 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.

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(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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"), New Taiwan Dollar ("TWD"), Philippine Peso ("PHP") and Vietnamese Dong ("VND").

The Group's exposure to foreign currency at reporting date is as follows:

	USD RM	TWD RM	PHP RM	VND RM
Group				
As at 31 March 2022				
Other receivables	1,777	-	-	-
Cash and bank balances	207,667	1,509,623	860,106	210,233
Trade payables	(19,461,159)	-	-	-
Net exposure	(19,251,715)	1,509,623	860,106	210,233

	USD RM	TWD RM	PHP RM
Group			
As at 31 March 2021			
Other receivables		1,777	-
Cash and bank balances		1,738,262	1,172,240
Trade payables		(20,388,020)	-
Net exposure		(18,647,981)	860,106

Currency risk sensitivity analysis

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.

	2022 Increase/ (decrease) RM	2021 Increase/ (decrease) RM
Group		
Effects on profit after tax		
USD		
- strengthen by 10%	(1,463,130)	(1,417,247)
- weaken by 10%	1,463,130	1,417,247
TWD		
- strengthen by 10%	114,731	89,090
- weaken by 10%	(114,731)	(89,090)

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Currency risk (Cont'd)

Currency risk sensitivity analysis (cont'd)

Group	2022	2021
	Increase/ (decrease) RM	Increase/ (decrease) RM
PHP		
- strengthen by 10%	65,368	65,368
- weaken by 10%	(65,368)	(65,368)
VND		
- strengthen by 10%	15,978	-
- weaken by 10%	(15,978)	-

(ii) Interest rate risk

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

The Group's and the Company'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 and the Company's significant interest bearing financial instruments, based on the carrying amounts as at the end of the financial year was:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
<i>Financial assets</i>				
Deposits placed with licensed banks	25,037,265	21,377,938	-	5,116,764
<i>Financial liabilities</i>				
Finance lease liabilities	(10,918,333)	(8,594,601)	-	-
	14,118,932	12,783,337	-	5,116,764
Floating rate instruments				
<i>Financial liabilities</i>				
Borrowings	(6,839,804)	(5,369,407)	-	-

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

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		Company	
	2022	2021	2022	2021
	RM	RM	RM	RM
Effects on profit after taxation:				
Increase by 100 basis point	(51,983)	(40,807)	N/A	N/A
Decrease by 100 basis point	51,983	40,807	N/A	N/A

(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 and the Company's exposure to credit risk arises primarily from trade and other receivables, contract assets, fixed deposits with financial institutions for facilities granted to the Group and bank balances, intercompany advances and financial guarantees provided to financial institutions in respect of credit facilities granted to the Group. 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 50% (2021: 52%) of the Group's trade receivables were due from 5 major customers.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (Cont'd)

(a) Trade receivables (cont'd)

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 2022			
Not past due	13,128,301	(62)	13,128,239
Past due			
- less than 30 days	18,248,373	-	18,248,373
- 31 to 60 days	1,271,171	-	1,271,171
- over 60 days	33,584,307	(9,222)	33,575,085
	53,103,851	(9,222)	53,094,629
	66,232,152	(9,284)	66,222,868
Retention sum receivables	7,672,618	-	7,672,618
	73,904,770	(9,284)	73,895,486
At 31 March 2021			
Not past due	25,699,149	(1,065)	25,698,084
Past due			
- less than 30 days	4,472,307	(17)	4,472,290
- 31 to 60 days	1,904,169	(3,635)	1,900,534
- over 60 days	11,470,679	(177,291)	11,293,388
	17,847,155	(180,943)	17,666,212
	43,546,304	(182,008)	43,364,296
Retention sum receivables	8,647,526	-	8,647,526
	52,193,830	(182,008)	52,011,822

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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Credit risk (Cont'd)

(a) Trade receivables (cont'd)

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 (2021: 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:

	Current	30 days past due	60 days past due	More than 60 days past due	Total
2022					
Expected loss rate (%)	-*	-*	-*	-*	
Gross carrying amount (RM)	20,800,919	18,248,373	1,271,171	33,579,272	
Loss allowance provision (RM)	62	-	-	4,187	4,249
Impaired receivables (RM)	-	-	-	5,053	5,035
Total impaired (RM)					9,284
2021					
Expected loss rate (%)	-*	-*	0.19	-*	
Gross carrying amount (RM)	34,346,675	4,472,307	1,904,169	11,293,388	
Loss allowance provision (RM)	1,065	17	3,635	-	4,717
Impaired receivables (RM)	-	-	-	177,291	177,291
Total impaired (RM)					182,008

* Less than 0.01%

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. 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.

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) Other financial assets (including short term investment, fixed deposits with financial institutions and cash and bank balances)

Other financial assets 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 meet its obligations. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of short term investments, fixed deposits with financial institutions and cash and bank balances in the statements of financial position.

Impairment losses

The financial institutions have low credit risk. Consequently, the Group and the Company is of the view that loss allowance is not material and hence it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. 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.

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.

Exposure to credit risk, credit quality and collateral

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.

(f) Financial guarantees

The Company has issued financial guarantees to financial institutions for banking facilities granted to and utilised by the subsidiaries.

	2022	2021
	RM	RM
Corporate guarantee given to licensed banks to secure credit facilities granted to subsidiaries		
- Limit	159,789,119	77,089,119
- Maximum exposure	82,311,436	46,977,263

The Company monitors on an ongoing basis the results and repayments made by the subsidiaries. At the reporting date, there was no indication that the subsidiaries would default on repayment.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) Liquidity risk (Cont'd)

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

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 RM	Undiscounted contractual cash flows RM	On demand or within one year RM	Two to five years RM	More than five years RM
Financial liabilities:					
2022					
Trade payables	34,610,655	34,610,655	34,610,655	-	-
Other payables and accruals	4,076,327	4,076,327	4,076,327	-	-
Redeemable preference share	6,065,075	7,200,000	-	7,200,000	-
Lease liabilities	10,918,333	14,148,514	2,256,168	5,804,453	6,087,893
Borrowings	6,839,804	7,347,340	4,322,903	1,693,056	1,331,381
	62,510,194	67,382,836	45,266,053	14,697,509	7,419,274
Financial liabilities:					
2021					
Trade payables	48,142,125	48,142,125	48,142,125	-	-
Other payables and accruals	9,554,803	9,556,803	9,556,803	-	-
Redeemable preference share	5,513,153	7,200,000	-	7,200,000	-
Lease liabilities	8,594,601	10,624,610	2,102,507	5,489,753	3,032,350
Borrowings	5,369,407	6,000,768	2,551,206	1,694,463	1,755,099
	77,174,089	81,524,306	62,352,641	14,384,216	4,787,449

Company

At the reporting date, the contractual maturities (including interest payments) of the Company are less than one year.

The Company has contractual cash flows relating to financial guarantees as detailed in Note 37 (iii)(f) to the financial statements. The exposure for financial guarantee is for illustration only. No financial guarantee was called upon by the holders as at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

38. 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 36.1 to the financial statements. 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.

(ii) Financial instruments carried at fair value

Financial assets carried at fair value are disclosed in Note 36.1 to the financial statements. 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.

39. 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	
	2022	2021	2022	2021
	RM	RM	RM	RM
Total borrowings	23,823,212	19,477,161	-	-
Total equity	172,894,349	131,366,690	133,254,745	99,866,483
Gearing ratio (times)	0.14	0.15	N/A	N/A

40. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

40. SEGMENT REPORTING (CONT'D)

The Group is organised into the following reporting segments:

(a) Investment holding

Management, provision of financial services to companies within the Group, as well as holding of investments in the shares of subsidiaries and other investments.

(b) EPCC of solar energy system ("EPCC")

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.

(c) 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.

(d) 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 and also to other third party.

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.

40.1 Business segments

	Investment holding RM	EPCC of solar energy solution RM	Operations and maintenance of solar energy system RM	Sale of electricity through solar energy generation RM	Others RM	Total RM
Group and Company						
2022						
Revenue						
Total revenue	126,998	197,707,844	5,931,149	1,691,812	512,666	205,970,469
Inter-segment revenue	-	(28,250,560)	(1,900,556)	-	-	(30,151,116)
External revenue	126,998	169,457,284	4,030,593	1,691,812	512,666	175,819,353
Results						
Segment (loss)/profit before interest and tax	(1,624,018)	10,590,348	2,069,758	1,431,125	19,358	12,486,571
Finance income						625,334
Finance costs						(2,086,409)
Profit before tax						11,025,496
Income tax expense						(3,585,159)
Net profit for the financial year						7,440,337

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

40. SEGMENT REPORTING (CONT'D)

40.1 Business segments (Cont'd)

	Investment holding RM	EPCC of solar energy solution RM	Operations and maintenance of solar energy system RM	Sale of electricity through solar energy generation RM	Others RM	Total RM
Group and Company						
2021						
Revenue						
Total revenue	10,000,000	244,752,110	3,000,193	1,733,997	6,256,132	255,742,432
Inter-segment revenue	(10,000,000)	(30,807,349)	(648,145)	-	-	(31,455,494)
External revenue	-	213,944,761	2,352,048	1,733,997	6,256,132	224,286,938
Results						
Segment (loss)/profit before interest and tax	(1,130,230)	21,549,566	1,656,819	1,520,877	187,680	23,784,712
Finance income						734,197
Finance costs						(1,830,900)
Profit before tax						22,688,009
Income tax expense						(6,252,017)
Net profit for the financial year						16,435,992
2022						
Other information						
Segment (loss)/profit before tax includes the following:						
Finance income	187,146	438,188	-	-	-	625,334
Depreciation and amortisation	-	(3,163,894)	(32,131)	(330,436)	-	(3,526,461)
Finance costs	-	(1,970,319)	(2,652)	(113,438)	-	(2,086,409)
Reversal of provision for defect liabilities	-	118,500	-	-	-	118,500
Realised and unrealised losses on foreign exchange, net	-	(626,511)	(9,905)	-	-	(636,416)
Rental expenses	-	(1,082,641)	(2,200)	-	-	(1,084,840)
Gain on disposal of property, plant and equipment	-	191,149	-	-	-	(191,149)
Net impairment gain on financial assets	-	172,724	-	-	-	172,724

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

40. SEGMENT REPORTING (CONT'D)

40.1 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						
2021						
Other information						
Segment (loss)/profit before tax includes the following:						
Finance income	362,903	371,294	-	-	-	734,197
Depreciation and amortisation	-	(2,577,396)	(5,473)	(213,120)	-	(2,795,989)
Finance costs	-	(1,713,886)	-	(117,014)	-	(1,830,900)
Provision for defect liabilities	-	530,949	-	-	-	530,949
Realised and unrealised losses on foreign exchange, net	-	(278,134)	-	-	-	(278,134)
Rental expenses	-	(494,072)	-	-	-	(494,072)
Loss on disposal of property, plant and equipment	-	(58,973)	-	-	-	(58,973)
Net impairment gain on financial assets	-	2,161,479	-	-	-	2,161,479
2022						
Assets/Liabilities						
Additions to non-current assets ¹	-	3,050,671	386,692	6,791,334	-	10,228,697
Segment assets	5,952,095	239,671,743	580,506	4,293,854	-	250,498,198
Unallocated corporate assets ²						3,071,164
Total assets						253,569,362
Segment liabilities	62,599	70,045,690	5,917,750	1,871,566	-	77,897,605
Unallocated corporate liabilities ²						30,603
Total liabilities						77,928,208

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

40. SEGMENT REPORTING (CONT'D)

40.1 Business segments (Cont'd)

	Investment holding RM	EPCC of solar energy solution RM	Operations and maintenance of solar energy system RM	Sale of electricity through solar energy generation RM	Others RM	Total RM
Group and Company						
2021						
Assets/Liabilities						
Additions to non-current assets ¹	-	6,960,625	4,250	825,229	-	7,790,104
Segment assets	21,614,357	199,212,952	187,889	4,570,872	369,307	225,955,377
Unallocated corporate assets ²						179,178
Total assets						226,134,555
Segment liabilities	117,740	86,145,489	5,530,877	1,933,128	-	93,727,234
Unallocated corporate liabilities ²						45,323
Total liabilities						93,772,557

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 asset and income tax payable.

40.1 Major customers

Revenue from external customers which individually contributed 10% or more to the total revenue recognised of the Group is as follows:

	Group	
	2022 RM	2021 RM
Customer A	-	26,732,230
Customer B	-	21,334,525
	-	48,066,755

40.2 Geographical segments

Geographical information is not presented as the Group operates primarily in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022
(cont'd)

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

- (a) The World Health Organisation declared the novel coronavirus ("COVID-19") a global pandemic on 11 March 2020. Since then, the Government of Malaysia has implemented several countermeasures by imposing strict lockdowns, movement restriction and closing borders to curb the spread of COVID-19 outbreak in Malaysia. During the financial year, the Government has reimposed countermeasures in response to the third wave of the COVID-19 outbreak.

The Group and the Company had considered the impact of COVID-19 on its operations, as well as financial impact in the preparation of the financial statements for the current year in terms of the recoverability of the carrying amount of the assets and remeasurement of assets and liabilities as at 31 March 2022. There were no material impacts on financial and non-financial assets.

Given the dynamic nature of COVID-19 causing persistent uncertainties to global and domestic economics, the Group and the Company is unable to reasonably estimate the full financial impact of the COVID-19 outbreak for financial year ending 31 March 2023. Nonetheless, the Group and the Company is monitoring the situation closely and to take appropriate and timely measures to minimise the impact of the outbreak on the Group's and the Company's operations.

- (b) On 13 October 2021, on behalf of the Company, M&A Securities has announced that the listing of and quotation for the entire share capital and warrants of the Company have been transferred from ACE Market to Main Market of Bursa Malaysia Securities Berhad.

42. SUBSEQUENT EVENTS AFTER THE REPORTING PERIOD

- (a) On 26 April 2022, Solarvest EE had incorporated a 70% owned subsidiary company, SLV ZI Sdn. Bhd. with a total issued share capital of RM10,000 comprising of 10,000 ordinary shares.
- (b) On 25 May 2022, the Company had incorporated a wholly-owned subsidiary company, Vestech Energy Sdn. Bhd., with a total issued share capital of RM10,000 comprising of 10,000 ordinary shares.

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2022

SHARE CAPITAL

Total Number of Issued Shares	:	667,553,928
Issued Share Capital	:	RM 134,389,895.95
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per one (1) ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS AT 30 JUNE 2022

	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
1 – 99	435	3.302	20,450	0.003
100 – 1,000	2,102	15.960	1,281,858	0.192
1,001 – 10,000	7,708	58.526	34,332,786	5.143
10,001 – 100,000	2,639	20.037	71,620,050	10.728
100,001 to 33,377,695*	283	2.148	373,646,802	55.972
33,377,695 and above**	3	0.022	186,651,982	27.960
	13,170	100.000	667,553,928	100.000

Remarks:

* Less than 5% of issued shares.

** 5% and above of issued shares.

SUBSTANTIAL SHAREHOLDERS AS AT 30 JUNE 2022

(Based on the Register of Substantial Shareholders)

	Direct	%	Indirect	%
1 Atlantic Blue Holdings Sdn Bhd	152,651,982	22.867	-	-
2 Chin Hin Group Berhad	129,100,000	19.339	-	-
3 Lim Chin Siu	39,665,000	5.942	152,651,982 ⁽¹⁾	22.867
4 Tan Chyi Boon	36,850,000	5.520	152,651,982 ⁽¹⁾	22.867
5 Divine Inventions Sdn Bhd	-	-	129,100,000 ⁽²⁾	19.339
6 PP Chin Hin Realty Sdn Bhd	-	-	129,100,000 ⁽³⁾	19.339
7 Datuk Seri Chiau Beng Teik, JP	-	-	129,100,000 ⁽⁴⁾	19.339
8 Datin Seri Wong Mee Leng	-	-	129,100,000 ⁽⁴⁾	19.339

⁽¹⁾ Deemed interest by virtue of his interest in Atlantic Blue Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ Deemed interest by virtue of its interest in Chin Hin Group Berhad pursuant to Section 8 of the Companies Act 2016.

⁽³⁾ Deemed interest by virtue of its interest in Divine Inventions Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

⁽⁴⁾ Deemed interest by virtue of his/her interest in PP Chin Hin Realty Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2022
(cont'd)

DIRECTORS' INTERESTS IN SHARES AS AT 30 JUNE 2022

(Based on the Register of Directors' Shareholdings)

		Direct	%	Indirect	%
1	Dato' Che Halin Bin Mohd Hashim	2,200,000	0.330	-	-
2	Lim Chin Siu	39,665,000	5.942	152,651,982 ⁽¹⁾	22.867
3	Tan Chyi Boon	36,850,000	5.520	152,651,982 ⁽¹⁾	22.867
4	Lee Hai Peng	-	-	-	-
5	Fong Shin Ni	30,000	0.004	-	-
6	Gan Teck Hooi	-	-	-	-
7	Azian Binti Mohd Yusof	-	-	-	-
8	Chong Chun Siong	9,595,000	1.437	-	-

Notes:

⁽¹⁾ Deemed interest by virtue of his direct interest in Atlantic Blue Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 JUNE 2022

(without aggregating the securities from different securities accounts belonging to the same registered holder)

		No. of Shares	% of Shares
1	ATLANTIC BLUE HOLDINGS SDN BHD	71,151,982	10.658
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR CHIN HIN GROUP BERHAD	64,400,000	9.647
3	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK ISLAMIC BERHAD FOR CHIN HIN GROUP BERHAD	51,100,000	7.654
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON	16,550,000	2.479
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (MX3942)	15,000,000	2.247
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (MX3936)	15,000,000	2.247
7	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (MX3905)	15,000,000	2.247
8	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (MX3937)	15,000,000	2.247
9	UOBM NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN HIN GROUP BERHAD	13,600,000	2.037
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU	12,725,000	1.906

ANALYSIS OF SHAREHOLDINGS

As at 30 June 2022
(cont'd)

LIST OF TOP 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30 JUNE 2022 (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

	No. of Shares	% of Shares
11 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU (7010857)	10,500,000	1.572
12 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (MY3918)	10,000,000	1.498
13 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND (4207)	9,537,200	1.428
14 CARTABAN NOMINEES (TEMPATAN) SDN BHD TMF TRUSTEES MALAYSIA BERHAD FOR AFFIN HWANG WHOLESALE EQUITY FUND 2	9,240,300	1.384
15 UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (THIRD PARTY)	7,500,000	1.123
16 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU BENG TEIK (MY2975)	7,464,800	1.118
17 LIM CHIN SIU	7,440,000	1.114
18 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ATLANTIC BLUE HOLDINGS SDN. BHD. (BX1227)	7,000,000	1.048
19 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR ATLANTIC BLUE HOLDINGS SDN. BHD. (BX1220)	7,000,000	1.048
20 CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,882,900	1.031
21 TAN PAW BOON	6,172,000	0.924
22 CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEOH HAI HIN (MY4291)	6,000,000	0.898
23 AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG (SMART)	5,708,000	0.855
24 CITIGROUP NOMINEES (TEMPATAN) SDN BHD UNIVERSAL TRUSTEE (MALAYSIA) BERHAD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	5,700,600	0.853
25 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG CHUN SHIONG (PB)	5,607,500	0.840
26 CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (AFFIN 2)	5,499,800	0.823
27 TAN CHYI BOON	5,300,000	0.793
28 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM CHIN SIU (PB)	5,000,000	0.749
29 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON (7009317)	4,500,000	0.674
30 HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG	4,500,000	0.674
Total	426,080,082	63.827

ANALYSIS OF WARRANT HOLDINGS

As at 30 June 2022

SHARE CAPITAL

Total Number of Outstanding Warrants	:	158,464,670
Class of Securities	:	Warrants A 2021/2026
Exercise Price per Warrant	:	RM1.00 each

DISTRIBUTION OF WARRANT HOLDINGS AS AT 30 JUNE 2022

	No. of Warrant Holders	% of Warrant Holders	No. of Warrants Held	% of Warrants
1 – 99	1,551	26.676	81,346	0.051
100 – 1,000	1,676	28.826	763,481	0.481
1,001 – 10,000	1,729	29.738	6,862,471	4.330
10,001 – 100,000	736	12.659	23,672,630	14.938
100,001 to 7,923,232*	119	2.046	84,030,536	53.027
7,923,233 and above**	3	0.051	43,054,206	27.169
	5,814	100.000	158,464,670	100,000

Remarks:

* Less than 5% of total outstanding warrants.

** 5% and above of total outstanding warrants

DIRECTORS' WARRANT HOLDINGS AS AT 30 JUNE 2022

(Based on the Register of Directors' Warrant Holdings)

	Direct	%	Indirect	%
1 Dato' Che Halin Bin Mohd Hashim	37,500	0.024	-	-
2 Lim Chin Siu	1,875,000	1.183	26,162,994 ⁽¹⁾	16.510
3 Tan Chyi Boon	4,375,000	2.761	26,162,994 ⁽¹⁾	16.510
4 Lee Hai Peng	-	-	-	-
5 Fong Shin Ni	-	-	-	-
6 Gan Teck Hooi	-	-	-	-
7 Azian Binti Mohd Yusof	-	-	-	-
8 Chong Chun Siong	1,573,750	0.993	-	-

Notes:

⁽¹⁾ Deemed interest by virtue of his direct interest in Atlantic Blue Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

ANALYSIS OF WARRANT HOLDINGS

As at 30 June 2022
(cont'd)

LIST OF TOP 30 LARGEST WARRANT HOLDERS AS AT 30 JUNE 2022

(without aggregating the securities from different securities accounts belonging to the same registered holder)

		No. of Warrants	% of Warrants
1	ATLANTIC BLUE HOLDINGS SDN BHD	24,287,994	15.327
2	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG (DATO')	10,585,000	6.679
3	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHU KERD YEE (M01)	8,181,212	5.162
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI CHEN SENG	7,659,800	4.833
5	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR DATO' ONG CHOO MENG (SMART)	6,400,000	4.038
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR PEH LIAN HWA (SMART)	5,680,000	3.584
7	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR RONNY NG	5,000,000	3.155
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SIANG CHAI	4,800,000	3.029
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG	4,765,000	3.006
10	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KEH CHUAN SENG	4,500,000	2.839
11	TAN CHOON AUN	3,000,000	1.893
12	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON	2,500,000	1.577
13	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHOO MENG	2,500,000	1.577
14	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' ONG CHOO MENG	2,415,000	1.523
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHIN SIU	1,875,000	1.183
16	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ATLANTIC BLUE HOLDINGS SDN BHD (THIRD PARTY)	1,875,000	1.183
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO ONG CHOO MENG	1,500,000	0.946
18	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHEE LIP	1,250,000	0.788
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON	1,125,000	0.709
20	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR KENNY TAN KENG SENG	1,000,000	0.631

ANALYSIS OF WARRANT HOLDINGS

As at 30 June 2022
(cont'd)

LIST OF TOP 30 LARGEST WARRANT HOLDERS AS AT 30 JUNE 2022 (CONT'D)

(without aggregating the securities from different securities accounts belonging to the same registered holder)

		No. of Warrants	% of Warrants
21	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG CHUN SHIONG	1,000,000	0.631
22	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO CHEE SIANG	990,000	0.624
23	LIM MONG SENG DATO' ONG CHOO MENG (SMART)	813,500	0.513
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LIM WAI YEE	750,000	0.473
25	M & A NOMINEE (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHYI BOON (PNG)	750,000	0.473
26	LIM KIAN HIN	661,700	0.417
27	LIM CHIN PO	604,900	0.381
28	LIM LEE LEE	548,300	0.346
29	CHAN PHI AK CHU	528,900	0.333
30	LIONG HONG HOH	516,500	0.325
	Total	108,062,806	68.193

LIST OF PROPERTIES

No.	Title No.	Property Address	Tenure	Description of property/ Existing use	Category of land use/ Land area/ Built-up area (s.q. metre)	Revaluation Date	Approximate Age of Building	Audited Net Book Value as at 31 March 2022 (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.	4166-4170, Jalan Ganding 2, Taman Ganding, Jalan Langgar, 05460 Alor Setar Kedah	Freehold	5 units of 3-storey shop office/ Branch office and warehouse	Building/ 1302/ 3906 (for each unit)	8.9.2016	8 years	2,665,666
2.	H.S.(D) 19110, Lot 992, Bandar Prai, Daerah Seberang Perai Tengah, Pulau Pinang.	26, Jalan Kikik, Taman Inderawasih, 13600 Prai, Pulau Pinang.	Freehold	Intermediate 1 ½ - storey light- industrial terrace factory/ Branch office and warehouse	Industrial/ 3186/ 4056	12.8.2015	28 years	1,464,872
3.	PN 50495/M1-A/7/36, Lot 103 Seksyen 36, Bandar Petaling Jaya, Daerah Petaling, Selangor.	A-30-05, 3 Two Square, Jalan 19/1, 46300 Petaling Jaya, Selangor	Leasehold of 99 years expiring on 6 September 2106 (84 remaining years)	5th Floor office unit located in a 6-storey office building/ Office	Building/ Not applicable/ 1948	-	15 years	828,803

NOTICE OF FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifth Annual General Meeting ("5th AGM") of Solarvest Holdings Berhad ("the Company") will be held virtually through live streaming from the broadcast venue at Conference Room (Marvel), L1-01, Pacific 63@PJ Centre, No. 5, Jalan 13/6, Seksyen 13, 46200 Petaling Jaya, Selangor ("Broadcast Venue") and via the online meeting platform at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) provided by Vote2U on Monday, 29 August 2022 at 10.00 a.m. to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Reports of the Directors and Auditors thereon. [Please refer to Explanatory Note 1]

2. To approve the payment of Non-Executive Directors' fees for an amount of up to RM396,000.00 payable to Non-Executive Directors on a monthly basis for the period from 30 August 2022 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows: [Please refer to Explanatory Note 2]
[Ordinary Resolution 1]

No	Type of Director	Non-Executive Directors' fees of the Company (RM)
1	Chairman of the Board	96,000
2	Non-Independent Non-Executive Director	60,000
3	Independent Non-Executive Directors	240,000

AND THAT to approve the Non-Executive Directors' benefits (excluding Directors' fees) for an amount of up to RM20,000.00 payable to Non-Executive Directors for the period from 30 August 2022 until the next Annual General Meeting of the Company, in such manner as the Directors may determine:-

No	Type of Director	Non-Executive Directors' benefits of the Company (RM)
1	Chairman of the Board	4,000
2	Non-Independent Non-Executive Director	4,000
3	Independent Non-Executive Directors	12,000

3. To re-elect the following Directors who retire pursuant to Clause 85.1 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (i) Dato' Che Halin Bin Mohd Hashim; and
 - (ii) Mr. Lim Chin Siu[Ordinary Resolution 2]
[Ordinary Resolution 3]

4. To re-elect the following Directors who retire pursuant to Clause 92 of the Company's Constitution and being eligible, have offered themselves for re-election:-
 - (i) Mr. Chong Chun Shiong
 - (ii) Mr. Lee Hai Peng[Ordinary Resolution 4]
[Ordinary Resolution 5]

NOTICE OF FIFTH ANNUAL GENERAL MEETING

(cont'd)

5. 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 6]

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION** [Please refer to
- **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** Explanatory Note 3]

"THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main 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 ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time; AND THAT the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued on Bursa Securities; AND THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

[Ordinary Resolution 7]

7. 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)
Company Secretary

Kuala Lumpur
Dated: 29 July 2022

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 require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. **Item 2 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.

NOTICE OF FIFTH ANNUAL GENERAL MEETING

(cont'd)

The Company had, at its fourth Annual General Meeting ("4th AGM") held on 30 September 2021, obtained approval from the shareholders in respect of:-

Approved limit granted by the shareholders at the 4th AGM		
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	60,000	4,000
Independent Non-Executive Directors	150,000	4,000
Non Independent Non-Executive Director	36,000	12,000
Total for Non-Executive Directors ("Approved Limit")	246,000	20,000

The Directors remuneration policy of the Company and its subsidiaries for the financial year ended 31 March 2022 is as follows:-

	the Company		Total	
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	60,000	1,500	60,000	1,500
Independent Non-Executive Director	96,000	5,500	96,000	5,500
Non Independent Non-Executive Directors	36,000	2,000	36,000	2,000
Total	192,000	9,000	192,000	9,000

Details of the Directors' Remuneration for the financial year ended 31 March 2022 are contained in the Corporate Governance Overview Statement of the Company's Annual Report.

The Directors' Fees and Directors' benefits (excluding Directors' fees) payable to the Directors and Directors for the financial year ended 31 March 2022 were not exceeded the Approved Limit that were approved by the shareholders at the 4th AGM of the Company in 2021.

The Company is seeking shareholders' approval for the payment of:-

- a) Non-Executive Directors' fees for an amount up to RM396,000 and Non-Executive Directors' benefits for an amount up to RM20,000 payable to the Non-Executive Directors on a monthly basis for the period from 30 August 2022 until the next Annual General Meeting of the Company under Ordinary Resolution 1

The estimated Directors' fees proposed for the financial period from 30 August 2022 until the next Annual General Meeting of the Company are derived based on the current Board size.

The benefits payable to the Directors comprising of meetings allowances based on actual attendance of meetings by the Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors. The payment of benefits to the Directors will be made by the Company on a monthly basis and/or as and when incurred.

Ordinary Resolution 1 is to facilitate payment of Directors' fees and benefits for the financial year 2022/2023.

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 AGM of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

NOTICE OF FIFTH ANNUAL GENERAL MEETING

(cont'd)

3. Item 6 of the Agenda

Ordinary Resolution 7 is to seek a renewal of the general mandate for issuance of shares by the Company pursuant to the Companies Act 2016 at the 5th AGM of the Company ("**General Mandate**"). The purpose of this General Mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company fund raising activities, including but not limited to placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or such other purposes as the Directors may deem fit in the best interest of the Company, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares. This General Mandate, 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.

As at the date of this Notice, the Company had issued 3,600,000 new ordinary shares at an issue price of RM1.25 per ordinary share pursuant to the Private Placement of up to 20% of the issued ordinary shares in the Company ("**Private Placement**") at the previous mandate granted to the Directors at the 4th AGM of the Company held on 30 September 2021. Details of the total proceeds raised from the Private Placement and its utilisation of proceeds are disclosed in the Company's Annual Report 2022.

Notes:

- (1) *The 5th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my>. Please refer to the Administrative Guide for the 5th AGM which is available at the Company's website at <https://solarvest.my> for the procedures to register, participate and vote remotely at the 5th AGM through the RPV facilities.*
- (2) *Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 5th AGM using the RPV.*
- (3) *The Broadcast Venue of the 5th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/ proxy(ies) from the public will be physically present at the meeting venue on the day of the 5th AGM.*
- (4) *A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th AGM. 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. Where a member appoints two (2) proxies to attend the 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (5) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (7) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*

NOTICE OF FIFTH ANNUAL GENERAL MEETING

(cont'd)

- (8) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or at any adjournment thereof:-*
- (i) *In Hardcopy Form*
- The Form of Proxy shall be deposited at the Share Registrar's office, 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, Malaysia.*
- (ii) *By Electronic Means*
- The Form of Proxy shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.*
- (9) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.*
- (10) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2022 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with "\-\" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialed.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th 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 5th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 5th 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.

STATEMENT ACCOMPANYING THE NOTICE OF THE FIFTH ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Directors standing for re-election

The following Directors are seeking re-election at the 5th AGM (the "Retiring Directors") under Ordinary Resolutions 4 and 5:-

- a) Mr. Chong Chun Shiong
b) Mr. Lee Hai Peng

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the information relating to the Retiring Directors as set out in Directors' Profile of the Company's Annual Report.

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 Fifth Annual General Meeting ("5th AGM") of the Company to be held virtually through live streaming from the broadcast venue at Conference Room (Marvel), L1-01, Pacific 63@PJ Centre, No. 5, Jalan 13/6, Seksyen 13, 46200 Petaling Jaya, Selangor ("Broadcast Venue") and the online meeting platform at <https://web.vote2u.my> (Domain registration number with MYNIC D6A471702) provided by Vote2U on Monday, 29 August 2022 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 following payment to Non-Executive Directors:- 1) Directors' fees Payment to Non-Executive Directors' fees for an amount of up to RM396,000.00 payable to Non-Executive Directors on a monthly basis for the period from 30 August 2022 until the next Annual General Meeting of the Company 2) Directors' benefits Payment to Non-Executive Directors' fees for an amount of up to RM20,000.00 payable to Non-Executive Directors for the period from 30 August 2022 until the next Annual General Meeting of the Company		
2.	Re-election of Dato' Che Halin Bin Mohd Hashim as Director pursuant to Clause 85.1 of the Company's Constitution		
3.	Re-election of Mr Lim Chin Siu as Director pursuant to Clause 85.1 of the Company's Constitution		
4.	Re-election of Mr Chong Chun Shiong as Director pursuant to Clause 92 of the Company's Constitution		
5.	Re-election of Mr Lee Hai Peng as Director pursuant to Clause 92 of the Company's Constitution		
6.	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		
7.	Authority to issue shares pursuant to the Companies Act 2016		

Dated this _____ day of _____ 2022

Signature of Member/Common Seal

* Strike out whichever is not desired.

Fold This Flap For Sealing

Notes:

- (1) *The 5th AGM of the Company will be held as a virtual meeting through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities provided by Vote2U via online meeting platform at <https://web.vote2u.my>. Please refer to the Administrative Guide for the 5th AGM which is available at the Company's website at <https://solarvest.my> for the procedures to register, participate and vote remotely at the 5th AGM through the RPV facilities*
- (2) *Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 5th AGM using the RPV.*
- (3) *The Broadcast Venue of the 5th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue on the day of the 5th AGM.*
- (4) *A member who is entitled to attend and vote at the 5th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 5th AGM. 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. Where a member appoints two (2) proxies to attend the 5th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid*
- (5) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, 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.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (7) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*

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

- (8) *The instrument appointing a proxy may be made via hardcopy or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 5th AGM or at any adjournment thereof:-*
 - (i) *In Hardcopy Form*
The Form of Proxy shall be deposited at the Share Registrar's office, 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, Malaysia.
 - (ii) *By Electronic Means*
The Form of Proxy shall be electronically submitted via email at the Poll Administrator's email address at vote2u@agmostudio.com.
- (9) *Pursuant to Rule 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of 5th AGM will be put to vote by poll.*
- (10) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 19 August 2022 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 5th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with "v" in the spaces provided to show how the votes are to be cast will also be accepted.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 5th 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 the 5th AGM dated 29 July 2022.

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

L1-01, Pacific 63 @ PJ Centre,
No. 5, Jalan 13/6, Seksyen 13,
46200 Petaling Jaya, Selangor, Malaysia.

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www.solarvest.my