
# Financial Report 2022

Malaysian Green Technology and Climate Change Corporation


Revenue growth divisions.
TYU division
FRT division
Distribution marketing participation in the securities market.
20% BNI
45% JYT
35% HUY
JYT
BNI
HUY
Distribution of the securities market key players
12%
10%
RDE
9%
RDW
8%
RTG
6%
WEF
5%
FEW
BGY
RDW
HRT
RTG
TRG
RTG
RDW
WEF
254 320 241 250 650 550 450 650 720 600 900 1200 850 800 960 1500 900 1200 1200 1400
| | TYU division | | | FRT division | | |
|---|---|---|---|---|---|---|
| GHT | 254 | 550 | 254 | 274 | 154 | 415 |
| RDW | 650 | 320 | 754 | 273 | 825 | 154 |
| TRG | 241 | 450 | 144 | 364 | 954 | 174 |
| RTG | 254 | 650 | 874 | 657 | 125 | 274 |
| WEF | 784 | 145 | 124 | 752 | 741 | 759 |
| HRT | 453 | 784 | 954 | 241 | 741 | 345 |

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# Corporate Information

**Group Chief Executive Officer**
Ts. Shamsul Bahar Bin Mohd Nor

**Secretary**
Shahirah Binti Mohd Anwar
LS0009909

**Registered Office**
Suite C-5-4
Wisma Goshen Plaza Pantai
Jalan Pantai Baharu
59200 Kuala Lumpur

**Principal Place of Business**
No. 2, Jalan 9/10
Persiaran Usahawan Seksyen 9
43650 Bandar Baru Bangi
Selangor Darul Ehsan

**Auditors**
Crowe Malaysia PLT
Level 16, Tower C, MeganAvenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur, Malaysia

**Principal Banker**
CIMB Bank Berhad
Serdang Perdana
Ground Floor & Mezzanine
No. 33, Jalan SP 2/1
Taman Serdang Perdana
43300 Seri Kembangan
Selangor Darul Ehsan

## CEO's message

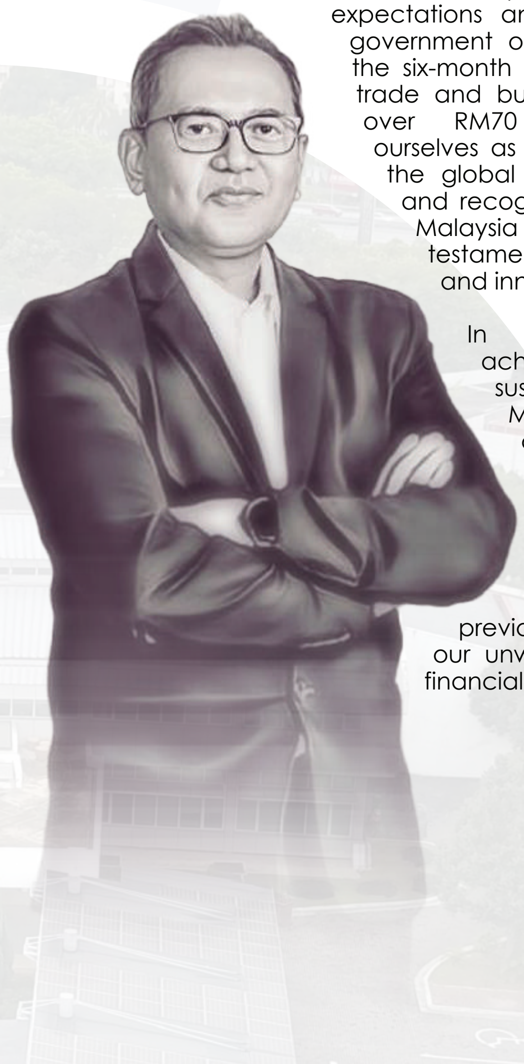
Amid the uncertainties and desolation that had time stood still for almost two sequential years during the unprecedented economic interruption throughout the pandemic, an internal overhaul of concentrated management strategies and priorities, drastic measures and disruptive protocols were successfully introduced and implemented.

In times of emergency, MGTC managed to adapt quickly and effectively to changing circumstances and was able to rise to this challenge and emerge stronger as a result while remaining vigilant and resilient to prepare for any future challenges that may arise.

We are proud to note that 2022 was a remarkable yet successful year for MGTC in building back the momentum we had generated before the advent of the pandemic; the quest for green technology adoption, sustainability, and net zero carbon never sleeps. I want to take this opportunity to wholeheartedly thank our partners and collaborators for their continuous support and sharing of MGTC's vision to drive the country in the scope of Green Growth, Climate Change Mitigation, and Green Lifestyle.

In 2022, we made significant strides in pursuing net-zero carbon emissions. We achieved extraordinary progress in meeting our Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) objectives. I am pleased to announce that IGEM 2022, a prominent event in our calendar, recorded an outstanding RM4.25 billion in business leads, signifying Malaysia's strong commitment to driving the nation's green economy.

Furthermore, the resounding success we experienced at the Dubai Expo 2020 surpassed all expectations and targets set by the government of Malaysia. Throughout the six-month exposition, we secured trade and business leads valued at over RM70 billion, establishing ourselves as a prominent player on the global stage. The accolades and recognition garnered by the Malaysia Pavilion serve as a testament to the excellence and innovation of our nation.



In addition to our achievements in promoting sustainable practices, MGTC has consistently delivered profitable results for three consecutive years, including exceptional performance in 2022. The surplus generated in 2022 surpassed the previous year, underscoring our unwavering dedication to financial growth.

The overall income trend from 2017 to 2022 exhibits a positive trajectory, driven in part by the substantial impact of Government and Alternative Project Financing, which accounted for an average of 72% of our total income in 2022. The MGTC Group achieved RM4,263,178 profit after tax.

We are also proud to note that MGTC achieved 97.4% of 32 KPIs and produced 18 documents which comprise guidelines, procedures, roadmaps, and studies on low-carbon mobility, energy efficiency, green technology innovation and green job. Our record in ISO 9001:2015 has achieved 0 NCR (non-conformance) for five years since the first certification in 2018.

As MGTC aspires to achieve the highest standards of ethics, integrity and compliance in our business, Organisational Anti-Corruption Plan (OACP) has been implemented in Q4 of 2022 as a reference for strategic and comprehensive efforts to enhance integrity, strengthen governance and empower anti-corruption efforts.

MGTC's reputation is built on our core values – gratitude, responsibility, ethics, excellence, and nurture – values that our stakeholders and partners expect of us at the organisation and in dealings with every talent MGTC employs.

MGTC remains committed to maximising revenue generation while minimising costs across all projects under Alternative Financing and Industry-Related Basic Financing. These endeavours will provide ample funding to sustain operational expenses and facilitate ongoing growth.

**"I extend my most profound appreciation to the dedicated and hardworking staff of MGTC, who have been instrumental in bringing these exponential achievements to fruition. Their commitment and tireless efforts have contributed to shaping the future of our country and its future generations."**

As we navigate the path to achieving net-zero GHG emissions as early as 2050, we remain steadfast in our pledge to further build upon our successes. Let us be guided by our shared vision of a sustainable planet for generations. Let us remember that our choices and actions today will determine the legacy we leave behind. Let us continue to push the boundaries of what is possible, inspire others, and be the catalysts of change.

**Ts. Shamsul Bahar Mohd Nor**
**Group CEO of MGTC**

# Board of Directors

**Chairman**
**Professor Dato' Ir. Dr A Bakar Bin Jaafar**
(Resigned on 31.5.2022)

**Chairman**
**Dato' Iskandar Bin Abdul Samad**
(Appointed on 6.10.2022)

**Dato' Leong Kin Mun**

**Datuk Hiswani Binti Harun**

**Ismail Bin Mohd Amin**

**Muhammad Zulhilmi bin Ahmad**
(Appointed on 21.4.2022)

**Hasifah Binti Mohd Murtadza**
(Appointed on 15.3.2022)

**Che Kodir Bin Baharum**
(Appointed on 4.1.2022)

**Datuk Wira Jalilah Binti Baba**
(Resigned on 30.6.2022)

**Noor Afifah Binti Abdul Razak**
(Appointed on 12.8.2022)

# Leadership Team

**Ts. Shamsul Bahar Bin Mohd Nor**
GROUP CHIEF EXECUTIVE OFFICER (CEO) OF MGTC

**Elina Binti Jani**
CEO OF GREENTECH
MALAYSIA ALLIANCES SDN BHD
(GTMA)

**Kamaradzaman**
**Bin Mohd Bakri**
SENIOR DIRECTOR
OF GREEN GROWTH GROUP

**Norhasliza Binti Mohd Mokhtar**
SENIOR DIRECTOR
OF CLIMATE ACTION GROUP

**Noor Azmin Azali Bin Ramli**
SENIOR DIRECTOR
OF LEGAL AND SECRETARIAL

**Tengku Sharifah Hanif**
**Binti Tengku Hamzah**
DIRECTOR OF FINANCE

**Siti Hursiah Binti Ibrahim**
DIRECTOR OF HUMAN RESOURCE
TALENT DEVELOPMENT
AND ADMINISTRATION DIVISION

**Saiful Adib Bin Abdul Munaff**
DIRECTOR CORPORATE STRATEGY

# Event Highlights

## January '22


Memorandum of Understanding between Nextgreen Gobal Berhad (NGGB),Koperasi Sahabat Amanah Ikhtiar Malaysia Berhad (KOOP Sahabat) and MGTC


Memorandum of Cooperation Persatuan Alumni Universiti Texas and MGTC

## Febru

Memorandum of Cooperation between CNJ Greentech Sdn Bhd and MGTC

## April '22

Launch Ceremony
'Projek Pengurusan Sisa Lestari Black Soldier Fly' by Geran Pemangkin Bandar Rendah Karbon (GeRAK)

Forum Perdana
Rumah Ibadat Hijau

## May


Awards Ceremony
Energy Management Gold Standard (EMGS) by Asean Energy Management Scheme (AEMAS)

## July '22

Launch Ceremony
Eco-Schools Programme in Kedah

'Singgah Seni Puisi Alam Sekitar KASA'

## Augu

Memorandum of Cooperation between MGTC & China Construction Bank, CCB

## October '22

Visit by Regent of Pahang His Royal Highness Tengku Hassanal Ibrahim Alam Shah ibni Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah at IGEM 2022

National Environment Day 2022 in Kuantan, Pahang

## Novem


Green Social Business Dialogue with Nobel Laureate & Father of Social Business, Prof. Muhamad Yunus

## ary '22

AEMAS EMGS Training at Double Tree Putrajaya

## Mac '22


Malaysia Expo Dubai 2020 Circular Economy Week


Low Carbon Cities 2021 Awards Ceremony at Marriot Hotel, Putrajaya

## '22

Launch Ceremony 'Karnival Kesedaran Kepentingan Kelestarian Alam Sekitar' in Perlis

## Jun '22


Launch Ceremony 'Portal Pekerjaan Hijau Malaysia'

Tree Planting Initiative with Belia Prihatin Alam Sekitar in Pulau Pinang

## st '22

Kit Handover Ceremony Rumah Ibadat Hijau

## September '22


TESLA Handover Ceremony


Launch Ceremony Malaysia Pavilion COP 27

## ber '22


Memorandum of Collaboration between MGTC & VOLVO Malaysia Sdn Bhd

## December '22

Signing Ceremony Shareholders Agreement between NextGreen Biomass Sdn Bhd, Greentech Alliances Malaysia Sdn Bhd, Koperasi Sahabat Amanah Ikhtiar Malaysia (KOOP Sahabat) Berhad and Koperasi Perkhidmatan Setia Berhad


Official Visit by the Ministry of Natural Resources, Environment and Climate Change (NRECC)

## Financial Highlights

| | |
|---|---|
| Overall Income: | RM72,295,975 |
| Revenue: | RM13,074,194 |
| Government & Alternative Funding: | RM52,234,450 |
| Other Income: | RM 6,987,331 |
| Profit Before Tax: | RM4,722,478 |
| Profit After Tax: | RM4,263,178 |
| Total Retained Profit: | RM 30,116,289 |
| Cash & Cash Equivalents: | RM58,589,520 |

# MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**FINANCIAL REPORT**
for the financial year ended 31 December 2022

# MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

## PRINCIPAL ACTIVITIES

The principal activities of the Company is to act as the focal point for the development of green technology in Malaysia by undertaking advisory services, driving and facilitating the implementation and growth of green technology industry and compiling data by way of coordination, development, training, transfer, adoption, research and development, innovation and commercialisation in green technology.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

| | **The Group** RM | **The Company** RM |
|---|---|---|
| Profit after taxation for the financial year | 4,263,178 | 5,607,332 |

## DIVIDENDS

The Company is prohibited from paying any dividend under Section 45(2)(b) of the Companies Act 2016 in Malaysia.

## RESERVES AND PROVISIONS

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

## ISSUES OF SHARES AND DEBENTURES

The Company is a company limited by guarantee and does not have any share capital. No debentures have been issued by the Company.

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**DIRECTORS' REPORT**

## INVESTMENTS

The passive investment only was restricted to fixed deposits and Repo, in accordance to the Constitution of the Company.

## BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

## CURRENT ASSETS

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

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

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

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

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

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

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**DIRECTORS' REPORT**

## CHANGE OF CIRCUMSTANCES

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

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Datuk Hiswani Binti Harun
Dato' Leong Kin Mun
Ismail Bin Mohd Amin
Che Kodir Bin Baharum (Appointed on 4.1.2022)
Hasifah Binti Mohd Murtadza (Appointed on 15.3.2022)
Muhammad Zulhilmi bin Ahmad (Appointed on 21.4.2022)
Noor Afifah Binti Abdul Razak (Appointed on 12.8.2022 and resigned on 7.2.2023)
Dato' Iskandar Bin Abdul Samad (Appointed on 6.10.2022 and resigned on 18.1.2023)
Professor Dato' Ir. Dr. A Bakar Bin Jaafar (Resigned on 31.5.2022)
Datuk Wira Jalilah Binti Baba (Resigned on 30.6.2022)

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

T/Sharifah Hanif Binti Tengku Hamzah
Saiful Adib bin Abdul Munaff (Appointed on 22.1.2022)
Syed Ahmad bin Syed Mustafa (Resigned on 21.1.2022)
Noor Azmin Azali Bin Ramli (Resigned on 1.11.2022)

## DIRECTORS' INTERESTS

The Company is a company limited by guarantee and does not have any share capital.

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

### DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

| | **The Group**<br>RM |
|---|---|
| Director's remuneration | 7,412 |

### INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**DIRECTORS' REPORT**

## AUDITORS

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

The auditors' remuneration of the Group and of the Company for the financial year were RM94,090 and RM77,700 respectively.

Signed in accordance with a resolution of the directors dated 3 1 MAY 2023

**Datuk Hiswani Binti Harun**

**Ismail Bin Mohd Amin**

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

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### STATEMENT BY DIRECTORS
### PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Hiswani Binti Harun and Ismail Bin Mohd Amin, being two of the directors of Malaysian Green Technology And Climate Change Corporation, state that, in the opinion of the directors, the financial statements set out on pages 11 to 55 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 of 31 December 2022 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 3 1 MAY 2023

**Datuk Hiswani Binti Harun**

**Ismail Bin Mohd Amin**

### STATUTORY DECLARATION
### PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Shamsul Bahar Mohd Nor, being the officer primarily responsible for the financial management of Malaysian Green Technology And Climate Change Corporation, do solemnly and sincerely declare that the financial statements set out on pages 11 to 55 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Shamsul Bahar Mohd Nor, NRIC Number: 640221-08-5905,
at Kuala Lumpur
in the Federal Territory
on this 3 1 MAY 2023

**Shamsul Bahar Mohd Nor**

Before me

PESURUHJAYA SUMPAH
W 804
SHAIFUL HILMI
BIN HALIM
1 Januari 2023
Hingga
31 Disember 2025
MALAYSIA

Unit C-6-1, Megan Avenue II
No. 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

**Crowe Malaysia PLT**
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Malaysia
Main +6 03 2788 9999
Fax +6 03 2788 9998
www.crowe.my

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Malaysian Green Technology And Climate Change Corporation, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 55.

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 December 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

*Independence and Other Ethical Responsibilities*

We are independent of the 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.

Crowe

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**
**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION (CONT'D)**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of the Directors for the Financial Statements**

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION (CONT'D)**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION (CONT'D)**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## 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.

**Crowe Malaysia PLT**
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

**Ooi Song Wan**
02901/10/2024 J
Chartered Accountant

Kuala Lumpur

3 1 MAY 2023

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2022

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | | 2022 | 2021 | 2022 | 2021 |
| | Note | RM | RM | RM | RM |
| **ASSETS** | | | | | |
| NON-CURRENT ASSETS | | | | | |
| Investment in subsidiaries | 5 | - | - | 2,500,000 | 2,500,000 |
| Investment in associates | 6 | 3,942,518 | - | - | - |
| Property and equipment | 7 | 14,049,689 | 14,130,361 | 14,049,689 | 14,130,361 |
| Right-of-use assets | 8 | 2,906,650 | 2,853,422 | 2,906,650 | 2,853,422 |
| Deferred expenditure | | 405,176 | 1,960,118 | 405,176 | 1,960,118 |
| | | 21,304,033 | 18,943,901 | 19,861,515 | 21,443,901 |
| CURRENT ASSETS | | | | | |
| Trade receivables | 9 | 3,646,016 | 2,517,223 | 3,646,016 | 2,517,223 |
| Other receivables, deposits and prepayments | 10 | 3,941,721 | 29,553,591 | 3,941,721 | 29,553,591 |
| Amount owing by subsidiaries | 11 | - | - | 5,884,497 | 580,125 |
| Current tax assets | | 130,236 | - | 130,236 | - |
| Fixed deposits with a licensed bank | 12 | 75,575,926 | 90,388,481 | 73,548,474 | 88,378,910 |
| Cash and bank balances | | 2,418,168 | 965,271 | 1,895,532 | 442,556 |
| | | 85,712,067 | 123,424,566 | 89,046,476 | 121,472,405 |
| TOTAL ASSETS | | 107,016,100 | 142,368,467 | 108,907,991 | 142,916,306 |
| **EQUITY AND LIABILITIES** | | | | | |
| EQUITY | | | | | |
| Retained profits | 13 | 30,116,289 | 25,853,111 | 32,046,725 | 26,439,393 |
| NON-CURRENT LIABILITIES | | | | | |
| Government grants | 14 | 31,489,670 | 54,820,059 | 31,489,670 | 54,820,059 |
| Deferred income | 15 | 1,020,756 | 17,134,568 | 1,020,756 | 17,134,568 |
| Building fund | 16 | 15,467,306 | 15,467,306 | 15,467,306 | 15,467,306 |
| Lease liabilities | 17 | 88,398 | 12,702 | 88,398 | 12,702 |
| | | 48,066,130 | 87,434,635 | 48,066,130 | 87,434,635 |
| CURRENT LIABILITIES | | | | | |
| Trade payables | 18 | 2,692,439 | 3,802,470 | 2,692,439 | 3,802,470 |
| Other payables and accruals | 19 | 26,125,178 | 25,183,797 | 26,086,633 | 25,145,354 |
| Lease liabilities | 17 | 16,064 | 6,691 | 16,064 | 6,691 |
| Current tax liability | | - | 87,763 | - | 87,763 |
| | | 28,833,681 | 29,080,721 | 28,795,136 | 29,042,278 |
| TOTAL LIABILITIES | | 76,899,811 | 116,515,356 | 76,861,266 | 116,476,913 |
| TOTAL EQUITY AND LIABILITIES | | 107,016,100 | 142,368,467 | 108,907,991 | 142,916,306 |

The annexed notes from an intergrated part of these financial statements.

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | | The Group | | The Company | |
|---|---|---|---|---|---|
| | Note | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| REVENUE | 20 | 13,074,194 | 5,134,025 | 13,074,194 | 5,134,025 |
| COST OF SALES | 21 | (8,317,404) | (1,806,847) | (8,317,404) | (1,806,847) |
| GROSS PROFIT | | 4,756,790 | 3,327,178 | 4,756,790 | 3,327,178 |
| GOVERNMENT GRANT | 22 | 56,096,120 | 49,902,763 | 56,096,120 | 49,902,763 |
| OTHER INCOME | | 6,987,328 | 2,418,719 | 6,909,447 | 2,408,988 |
| ADMINISTRATIVE EXPENSES | 23 | (61,342,719) | (53,914,397) | (61,045,380) | (53,816,958) |
| OTHER EXPENSES | | (656,051) | (606,198) | (656,051) | (606,198) |
| FINANCE COST | | (1,508) | (961) | (1,429) | (875) |
| SHARE OF RESULTS OF EQUITY ACCOUNTED ASSOCIATES | | (1,117,482) | - | - | - |
| PROFIT BEFORE TAXATION | | 4,722,478 | 1,127,104 | 6,059,497 | 1,214,898 |
| INCOME TAX EXPENSE | 24 | (459,300) | (580,160) | (452,165) | (580,160) |
| PROFIT AFTER TAXATION | | 4,263,178 | 546,944 | 5,607,332 | 634,738 |
| OTHER COMPREHENSIVE INCOME | | - | - | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR | | 4,263,178 | 546,944 | 5,607,332 | 634,738 |
| PROFIT AFTER TAXATION ATTRIBUTABLE TO:- Owner of the Company | | 4,263,178 | 546,944 | 5,607,332 | 634,738 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:- Owner of the Company | | 4,263,178 | 546,944 | 5,607,332 | 634,738 |

The annexed notes from an intergrated part of these financial statements.

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION

(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Retained Profits RM | Total Equity RM |
|---|---|---|
| **The Group** | | |
| Balance at 1.1.2021 | 25,306,167 | 25,306,167 |
| Profit after taxation for the financial year/Total comprehensive income for the financial year | 546,944 | 546,944 |
| Balance at 31.12.2021/1.1.2022 | 25,853,111 | 25,853,111 |
| Profit after taxation for the financial year/Total comprehensive income for the financial year | 4,263,178 | 4,263,178 |
| Balance at 31.12.2022 | 30,116,289 | 30,116,289 |

| | Retained Profits RM | Total Equity RM |
|---|---|---|
| **The Company** | | |
| Balance at 1.1.2021 | 25,804,655 | 25,804,655 |
| Profit after taxation for the financial year/Total comprehensive income for the financial year | 634,738 | 634,738 |
| Balance at 31.12.2021/1.1.2022 | 26,439,393 | 26,439,393 |
| Profit after taxation for the financial year/Total comprehensive income for the financial year | 5,607,332 | 5,607,332 |
| Balance at 31.12.2022 | 32,046,725 | 32,046,725 |

The annexed notes from an intergrated part of these financial statements.

## MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

## STATEMENTS OF CASH FLOWS
## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES | | | | |
| Profit before taxation | 4,722,478 | 1,127,104 | 6,059,497 | 1,214,898 |
| Adjustments for:- | | | | |
| Depreciation of property and equipment | 600,432 | 553,783 | 600,432 | 553,783 |
| Depreciation of right-of-use assets | 51,175 | 52,415 | 51,175 | 52,415 |
| Changes in lease modification | (983) | - | (983) | - |
| Gain on disposal of equipment | (402) | (25,000) | (402) | (25,000) |
| Interest income | (1,465,660) | (1,231,395) | (1,465,660) | (1,221,664) |
| Interest expenses | 1,429 | 875 | 1,429 | 875 |
| Share of net losses of equity accounted associates | 1,117,482 | - | - | - |
| Operating profit before working capital changes | 5,025,951 | 477,782 | 5,245,488 | 575,307 |
| Decrease in deferred expenditure | 1,554,942 | 1,053,283 | 1,554,942 | 1,053,283 |
| (Decrease)/Increase in deferred income | (16,113,812) | 16,467,218 | (16,113,812) | 16,467,218 |
| Decrease/(Increase) in trade and other receivables | 24,483,077 | (23,503,813) | 24,483,077 | (23,503,813) |
| Decrease in trade and other payables | (168,650) | (2,847,950) | (168,752) | (2,848,077) |
| Increase in amount owing by subsidiaries | - | - | (5,304,372) | (97,312) |
| CASH FROM/(FOR) OPERATIONS | 14,781,508 | (8,353,480) | 9,696,571 | (8,353,394) |
| Income tax paid | (677,299) | (360,000) | (670,164) | (360,000) |
| NET CASH FROM/(FOR) OPERATING ACTIVITIES | 14,104,209 | (8,713,480) | 9,026,407 | (8,713,394) |

The annexed notes from an intergrated part of these financial statements.

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**STATEMENTS OF CASH FLOWS**
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (CONT'D)**

| | Note | The Group 2022 RM | The Group 2021 RM | The Company 2022 RM | The Company 2021 RM |
|---|---|---|---|---|---|
| CASH FLOWS FOR INVESTING ACTIVITIES | | | | | |
| Interest received | | 1,465,660 | 1,231,395 | 1,465,660 | 1,221,664 |
| Increase in fixed deposits with a licensed bank with tenure more than 3 months | | (9,585,817) | (8,182,865) | (9,585,817) | (8,182,865) |
| Increase in pledged fixed deposits with a licensed bank | | (24,240) | (26,829) | (24,240) | (26,829) |
| Addition to investment in associates | | (5,060,000) | - | - | - |
| Proceed from disposal of equipment | | 402 | 25,000 | 402 | 25,000 |
| Purchase of equipment | | (519,760) | (123,176) | (519,760) | (123,176) |
| NET CASH FOR INVESTING ACTIVITIES | | (13,723,755) | (7,076,475) | (8,663,755) | (7,086,206) |
| CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES | | | | | |
| Interest paid | 25(a) | (1,429) | (875) | (1,429) | (875) |
| Net (utilisation)/addition of government grants | | (23,330,389) | 25,629,833 | (23,330,389) | 25,629,833 |
| Repayment of lease liabilities | 25(a) | (18,351) | (17,385) | (18,351) | (17,385) |
| NET CASH (FOR)/FROM FINANCING ACTIVITIES | | (23,350,169) | 25,611,573 | (23,350,169) | 25,611,573 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | | (22,969,715) | 9,821,618 | (22,987,517) | 9,811,973 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR | | 81,559,235 | 71,737,617 | 79,026,949 | 69,214,976 |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR | 25(b) | 58,589,520 | 81,559,235 | 56,039,432 | 79,026,949 |

The annexed notes from an intergrated part of these financial statements.

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
(Incorporated in Malaysia)
Registration No: 199801006110 (462237 - T)

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR 31 DECEMBER 2022**

## 1. GENERAL INFORMATION

The Company is a company limited by guarantee and domiciled in Malaysia. The registered office and principal place of business are as follows:-

| | | |
|---|---|---|
| Registered office | : | Suite C-5-4, Wisma Goshen,<br>Plaza Pantai, Jalan Pantai Baharu,<br>59200 Kuala Lumpur. |
| Principal place of business | : | No. 2, Jalan 9/10<br>Persiaran Usahawan, Seksyen 9,<br>Bandar Baru Bangi,<br>43650 Selangor Darul Ehsan. |

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 May 2023.

## 2. PRINCIPAL ACTIVITIES

The principal activities of the Company is to act as the focal point for the development of green technology in Malaysia by undertaking advisory services, driving and facilitating the implementation and growth of green technology industry and compiling data by way of coordination, development, training, transfer, adoption, research and development, innovation and commercialisation in green technology.

The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

**MALAYSIAN GREEN TECHNOLOGY AND CLIMATE CHANGE CORPORATION**
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**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR 31 DECEMBER 2022**

## 3. BASIS OF PREPARATION (CONT'D)

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

**MFRSs and/or IC Interpretations (Including The Consequential Amendments)**

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standards and interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements.

3.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

| MFRSs and/or IC Interpretations (Including The Consequential Amendments) | Effective Date |
|---|---|
| MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | Deferred |
| Amendments to MFRS 16: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 17 Insurance Contracts | 1 January 2023 |
| Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information | 1 January 2023 |
| Amendments to MFRS 101: Disclosure of Accounting Policies | 1 January 2023 |
| Amendments to MFRS 101: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to MFRS 101: Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to MFRS 108: Definition of Accounting Estimates | 1 January 2023 |
| Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

## 4. SIGNIFICANT ACCOUNTING POLICIES

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

*Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

**(a) Depreciation of Property and Equipment and Right-of-use Assets**

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property and equipment and right-of-use assets as at the reporting date is disclosed in Note 7 and Note 8 to the financial statements.

**(b) Impairment of Non-financial Assets**

The Group determines whether an item of its non-financial assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. The carrying amounts of investment in subsidiaries, investment in associates, property and equipment and right-of-use assets as at the reporting date are disclosed in Note 5, Note 6, Note 7 and Note 8 to the financial statements respectively.

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**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE FINANCIAL YEAR 31 DECEMBER 2022**

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Key Sources of Estimation Uncertainty (Cont'd)*

**(c) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 9 to the financial statements.

**(d) Impairment of Non-Trade Receivables**

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Note 10 and Note 11 to the financial statements respectively.

**(e) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of the current tax asset RM130,236 (2021 - current tax liability of RM87,763).

**(f) Discount Rates used in Leases**

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

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

*Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

**Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

### 4.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. 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 affect the investee's return.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

**(a) Business Combinations**

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.2 BASIS OF CONSOLIDATION (CONT'D)

**(a) Business Combinations (Cont'd)**

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

**(b) Non-controlling Interests**

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

**(c) Changes in Ownership Interests in Subsidiaries without Change of Control**

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

**(d) Loss of Control**

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value of the initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.3 FUNCTIONAL AND FOREIGN CURRENCIES

**(a) Functional and Presentation Currency**

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's functional and presentation currency.

**(b) Foreign Currency Transactions and Balances**

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

### 4.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and its definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(a) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

*Debt Instruments*

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The fair value changes do not include interest or dividend income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(a) Financial Assets (Cont'd)**

*Equity Instruments*

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

**(b) Financial Liabilities**

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value (excluding interest expense) of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.4 FINANCIAL INSTRUMENTS (CONT'D)

**(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

**(d) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

### 4.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.6 INVESTMENTS IN ASSOCIATES

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated financial statements using the equity method based on the financial statements of the associate made up to 31 December. The Group's share of the post-acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's investment in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation. The interest in the associate is the carrying amount of the investment in the associate determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate.

Unrealised gains or losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 9. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued.

### 4.7 PROPERTY AND EQUIPMENT

All items of property and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its intended use.

Subsequent to initial recognition, all property and equipment are stated at cost less accumulated depreciation and any impairment losses.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.7 PROPERTY AND EQUIPMENT (CONT'D)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation on property and equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

The principal annual rates used for this purpose are:-

| | |
|---|---|
| Building | 2% |
| Computers | 40% |
| Energy audit equipment | 20% |
| Furniture and fittings | 20% |
| Motor vehicles | 20% |
| Office equipment | 20% |
| Renovation | 10% |
| Solar system | 10% |

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment. Any changes are accounted for as a change in estimate.

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.8 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those property and equipment.

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

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in profit or loss if the carrying amount has been reduced to zero.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.9 IMPAIRMENT

#### (a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost and trade receivables.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

#### (b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 does not apply, are reviewed at the end of each reporting period for impairment when an annual impairment assessment is compulsory or there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the assets' fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.9 IMPAIRMENT (CONT'D)

**(b) Impairment of Non-financial Assets (Cont'd)**

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

### 4.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

### 4.11 EMPLOYEE BENEFITS

**(a) Short-term Benefits**

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

**(b) Defined Contribution Plans**

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

### 4.12 INCOME TAXES

**(a) Current Tax**

Current tax assets and liabilities are the expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are 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).

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.12 INCOME TAXES (CONT'D)

**(b) Deferred Tax**

Deferred tax is recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or 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 taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

### 4.13 FAIR VALUE MEASUREMENTS

Fair value is 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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's 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.

## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.13 FAIR VALUE MEASUREMENTS (CONT'D)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

### 4.14 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer in exchange for transferring services to a customer net of sales and service tax, returns, rebates and discounts. The Group recognises revenue when (or as) it transfers control over a service to customer. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

**(a) Membership Fee**

Membership fees for members joining the entity are recognised overtime.

**(b) Rendering of Services**

Revenue from providing services is recognised at the point in time when the services are rendered.

### 4.15 OTHER SOURCE OF INCOME

**(a) Government grants**

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and all conditions attached will be met.

Grants that compensate the Group for expenses incurred are recognised in profit or loss on a systematic basis over the period necessary to match them with the related expenses which they are intended to compensate for. These grants are presented as other income in profit or loss.

Grants that compensate the Group for the cost of an asset are recognised as deferred grant income in the statement of financial position and are amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset.

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## 4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### 4.15 OTHER OPERATING INCOME (CONT'D)

**(b) Interest income**

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

## 5. INVESTMENT IN SUBSIDIARIES

| | The Company 2022 RM | The Company 2021 RM |
|---|---|---|
| Unquoted shares, at cost | 2,500,000 | 2,500,000 |

The details of the subsidiaries are as follows:-

| Name of Subsidiaries | Principal place of Business/ Country of Incorporation | Percentage of Issued Share Capital Held by Parent 2022 % | Percentage of Issued Share Capital Held by Parent 2021 % | Principal Activities |
|---|---|---|---|---|
| Subsidiary of the Company | | | | |
| Greentech Malaysia Alliances Sdn. Bhd. ("GTMA") | Malaysia | 100 | 100 | Engaged in investment holding and business as promoters of green technology development. |
| Subsidiaries of GTMA | | | | |
| Greentech Ideaslab Sdn. Bhd. | Malaysia | 100 | 100 | Dormant. |
| Greentech Catalyst Sdn. Bhd. | Malaysia | 100 | 100 | Dormant. |

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## 6. INVESTMENT IN ASSOCIATES

| | The Group 2022 RM |
|---|---|
| Unquoted shares, at cost | 5,060,000 |
| Accumulated impairment loss | (1,117,482) |
| At 31 December | 3,942,518 |
| | |
| Accumulated impairment loss:- | |
| At 1 January | - |
| Addition during the financial year | (1,117,482) |
| At 31 December | (1,117,482) |

(a) The details of the associates are as follows:-

| Name of Associate | Principal Place of Business | Percentage of Ownership 2022 % | 2021 % | Principal Activities |
|---|---|---|---|---|
| Associates of GTMA | | | | |
| Ecoride Sdn. Bhd. | Malaysia | 30.00 | - | Engaged in transportation support services and other related activities. |
| Green EV Charge Sdn. Bhd. ("GEVSB") | Malaysia | 18.73 | - | Engaged in managing, operation and maintenance of electric vehicle charging infrastructure and ecosystem. |

(b) During the financial year, GTMA has acquired 30% equity interests in Ecoride Sdn. Bhd. with a total consideration of RM60,000.

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## 6. INVESTMENT IN ASSOCIATES (CON'T)

(c) On 18 February 2022, Yinson Green Technologies (M) Sdn Bhd ("YGTMSB") , GEVCSB and GTMA entered into a joint venture and shareholders' agreement for the subscription of new ordinary shares in GEVCSB for the purpose of undertaking an investment in electric vehicle charging infrastructure and ecosystem business in Malaysia.

On 31 May 2022, YGTMSB subscribed for an additional 11,660,000 new ordinary shares in GEVCSB for a total consideration of RM11.66 million, while GTMA subscribed for 5,000,000 new ordinary shares in GEVCSB for a total non-cash consideration of RM5 million. The subscription consideration for the GTMA subscription shares shall be satisfied in the following manner, in lieu of cash consideration:

i. injection of the GTMA Business and GTMA Assets by GTMA to the GEVCSB on the Effective Date; and
ii. licence of the Company to the GEVCSB on the Effective Date, by way of the Trademark Licence Agreement.

Upon completion of the allotment of new shares, YGTMSB and GTMA hold 11,700,000 and 5,000,000 ordinary shares, representing 70.06% and 29.94% equity interest of the enlarged share capital of GEVCSB, respectively.

YGTMSB had, on 6 December 2022, issued an option notice to exercise the option for the subscription of an additional 10,000,000 new ordinary shares in GEVCSB for a total cash consideration of RM10 million. Upon completion of the allotment of 10,000,000 ordinary shares to YGTMSB on 14 December 2022, YGTMSB and GTMA hold 21,700,000 and 5,000,000 ordinary shares, representing 81.27% and 18.73% equity interest of the enlarged share capital of GEVCSB, respectively.

(d) Although the Group holds less than 20% of the equity interest in GEVCSB, the Group has determined that it has significant influence over the financial and operating policies of the associate through voting rights and representation on the associate's board of directors.

(e) GEVSCB has a different financial year end from the Group. The Group recognised its share of results of the associate based on the financial statements for the financial year ended 31 January 2023 and appropriate adjustments have been made for the effects of significant transactions between 31 December 2022 and 31January 2023.

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## 6. INVESTMENT IN ASSOCIATES (CONT'D)

(f) The summarised financial information for each associate that is material to the Group is as follows:-

| | Ecoride Sdn. Bhd. 2022 RM |
|---|---|
| At 31 December | |
| Non-current assets | 1,176,716 |
| Current assets | 296,570 |
| Non-current liabilities | (505,649) |
| Current liabilities | (3,296,915) |
| Net liabilities | (2,329,278) |
| Financial Year Ended 31 December | |
| Revenue | 262,325 |
| Loss for the financial year/ Total comprehensive loss | (2,246,883) |

| | Green EV Charge Sdn. Bhd. 2022 RM |
|---|---|
| At 31 December | |
| Non-current assets | 2,755,085 |
| Current assets | 19,671,303 |
| Current liabilities | (1,373,340) |
| Net assets | 21,053,048 |
| Financial Period ended 31 December | |
| Revenue | 861,742 |
| Loss for the financial period/ Total comprehensive loss | (4,103,268) |

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## 7. PROPERTY AND EQUIPMENT

| | At 1.1.2022 RM | Additions RM | Depreciation Charges RM | At 31.12.2022 RM |
|---|---|---|---|---|
| **The Group/The Company** | | | | |
| **2022** | | | | |
| *Carrying Amount* | | | | |
| Building | 13,657,176 | - | (384,753) | 13,272,423 |
| Computers | 53,825 | 464,589 | (110,986) | 407,428 |
| Energy audit equipment | 27 | - | - | 27 |
| Furniture and fittings | 6,970 | 7,626 | (3,809) | 10,787 |
| Motor vehicles | 32,647 | - | (27,975) | 4,672 |
| Office equipment | 23,511 | - | (10,400) | 13,111 |
| Renovation | 243,475 | 47,545 | (32,914) | 258,106 |
| Solar system | 112,730 | - | (29,595) | 83,135 |
| | 14,130,361 | 519,760 | (600,432) | 14,049,689 |

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## 7. PROPERTY AND EQUIPMENT (CONT'D)

| | At 1.1.2021 RM | Additions RM | Depreciation Charges RM | At 31.12.2021 RM |
|---|---|---|---|---|
| **The Group/The Company** | | | | |
| **2021** | | | | |
| *Carrying Amount* | | | | |
| Building | 14,041,928 | - | (384,752) | 13,657,176 |
| Computers | 29,118 | 77,224 | (52,517) | 53,825 |
| Energy audit equipment | 27 | - | - | 27 |
| Furniture and fittings | 13,591 | 335 | (6,956) | 6,970 |
| Motor vehicles | 60,622 | - | (27,975) | 32,647 |
| Office equipment | 22,747 | 1,617 | (853) | 23,511 |
| Renovation | 250,505 | 44,000 | (51,030) | 243,475 |
| Solar system | 142,430 | - | (29,700) | 112,730 |
| | 14,560,968 | 123,176 | (553,783) | 14,130,361 |

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## 7. PROPERTY AND EQUIPMENT (CONT'D)

| The Group/The Company | At Cost RM | Accumulated Depreciation RM | Carrying Amount RM |
|---|---|---|---|
| **2022** | | | |
| Building | 19,077,708 | (5,805,285) | 13,272,423 |
| Computers | 2,478,814 | (2,071,386) | 407,428 |
| Energy audit equipment | 157,945 | (157,918) | 27 |
| Furniture and fittings | 1,464,538 | (1,453,751) | 10,787 |
| Motor vehicles | 942,747 | (938,075) | 4,672 |
| Office equipment | 254,509 | (241,398) | 13,111 |
| Renovation | 592,138 | (334,032) | 258,106 |
| Solar system | 3,334,713 | (3,251,578) | 83,135 |
| | 28,303,112 | (14,253,423) | 14,049,689 |
| **2021** | | | |
| Building | 19,077,708 | (5,420,532) | 13,657,176 |
| Computers | 2,014,225 | (1,960,400) | 53,825 |
| Energy audit equipment | 157,945 | (157,918) | 27 |
| Furniture and fittings | 1,456,912 | (1,449,942) | 6,970 |
| Motor vehicles | 942,747 | (910,100) | 32,647 |
| Office equipment | 254,509 | (230,998) | 23,511 |
| Renovation | 544,593 | (301,118) | 243,475 |
| Solar system | 3,334,713 | (3,221,983) | 112,730 |
| | 27,783,352 | (13,652,991) | 14,130,361 |

## 8. RIGHT-OF-USE ASSETS

| The Group/ The Company | At 1.1.2022 RM | Addition | Lease modification | Depreciation Charges RM | At 31.12.2022 RM |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Leasehold land | 2,836,532 | - | - | (33,769) | 2,802,763 |
| Office equipment | 16,890 | 116,352 | (11,949) | (17,406) | 103,887 |
| | 2,853,422 | 116,352 | (11,949) | (51,175) | 2,906,650 |

| | At 1.1.2021 RM | Depreciation Charges RM | At 31.12.2021 RM |
|---|---|---|---|
| **2021** | | | |
| Leasehold land | 2,870,300 | (33,768) | 2,836,532 |
| Office equipment | 35,537 | (18,647) | 16,890 |
| | 2,905,837 | (52,415) | 2,853,422 |

The Group leases a piece of leasehold land and certain office equipment of which the leasing activities are summarised below:-

(i) Leasehold land — The Group has entered into a non-cancellable operating lease agreement for the use of land. The leases are for a period of 99 (2021 - 99) years with no renewal or purchase option included in the agreements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(ii) Office equipment — The Group has leased a number of photocopier machines for 3 - 5 (2021 - 3 - 5) years, with an option to renew the lease after that date.

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## 9. TRADE RECEIVABLES

The Group's normal trade credit term is 30 days (2021 - 30 days) from the date of invoice. Other credit terms are assessed and approved on a case-by-case basis.

## 10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | The Group/The Company | |
|---|---|---|
| | **2022** | **2021** |
| | RM | RM |
| Other receivables | 2,291,957 | 28,317,840 |
| Deposits | 1,015,880 | 1,015,880 |
| Prepayments | 79,589 | 79,589 |
| GST receivables | 554,295 | 140,282 |
| | 3,941,721 | 29,553,591 |

## 11. AMOUNT OWING BY SUBSIDIARIES

The amount owing by subsidiaries represents non-trade balances, unsecured, interest free and payments made on behalf. The amount owing is receivable on demand and is to be settled in cash.

## 12. FIXED DEPOSITS WITH A LICENSED BANK

(a) The fixed deposits with licensed banks of the Group and the Company at the end of the reporting period bore effective interest rates ranging from 0.55% to 4.50% (2021 - 0.55% to 2.05%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2020 - 1 to 12) months for the Group and the Company respectively.

(b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM1,635,892 (2021 - RM1,611,652) which has been pledged to a licensed bank as security for banking facilities granted to the Company.

## 13. RETAINED PROFITS

The Company is prohibited to distribute any dividend to its members under Section 45(2)(b) of the Companies Act 2016 in Malaysia.

## 14. GOVERNMENT GRANTS

| | The Group/The Company | |
|---|---|---|
| | 2022 | 2021 |
| | RM | RM |
| At 1 January | 54,820,059 | 29,190,226 |
| Additions during the financial year | 12,592,768 | 63,115,468 |
| Utilisation during the financial year | (35,923,157) | (37,485,635) |
| At 31 December | 31,489,670 | 54,820,059 |

## 15. DEFERRED INCOME

(a) The deferred income primary relates to advances received from customers to render services. The amount will be recognised as other income when the performance obligations are satisfied.

(b) Other income expected to be recognised in the future relating to performance obligations that are partially or unsatisfied as at the reporting date is summarised as below: -

| | The Group/The Company | |
|---|---|---|
| | 2022 | 2021 |
| | RM | RM |
| Sales of Tesla | 989,746 | 987,247 |
| Sponsorship | 31,010 | 16,147,321 |
| | 1,020,756 | 17,134,568 |

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## 16. BUILDING FUND

| | The Group/The Company 2022 RM | 2021 RM |
|---|---|---|
| Cost | 25,037,500 | 25,037,500 |
| Accumulated amortisation | (9,570,194) | (9,570,194) |
| At 31 December | 15,467,306 | 15,467,306 |
| Accumulated amortisation:- | | |
| At 1 January | 9,570,194 | 9,570,194 |
| Amortisation for the financial year | - | - |
| At 31 December | 9,570,194 | 9,570,194 |

Building fund is a grant received from the Ministry of Energy, Green Technology and Water, Malaysia to build Pusat Tenaga Malaysia Zero Energy Office ("PTM ZEO") Building.

## 17. LEASE LIABILITIES

| | The Group/The Company 2022 RM | 2021 RM |
|---|---|---|
| At 1 January | 19,393 | 36,778 |
| Addition | 116,352 | - |
| Interest expense recognised in profit or loss | 1,429 | 875 |
| Repayment of principal | (18,351) | (17,385) |
| Repayment of interest expense | (1,429) | (875) |
| Changes due to lease modification | (12,932) | - |
| At 31 December | 104,462 | 19,393 |
| Analysed by:- | | |
| Current liability | 16,064 | 6,691 |
| Non-current liability | 88,398 | 12,702 |
| | 104,462 | 19,393 |

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## 18. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 14 to 30 (2021 - 14 to 30) days.

## 19. OTHER PAYABLES AND ACCRUALS

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Other payables | 1,845,927 | 2,963,287 | 1,844,324 | 2,941,245 |
| Accruals | 23,450,140 | 22,014,676 | 23,413,198 | 21,998,275 |
| | 25,296,067 | 24,977,963 | 25,257,522 | 24,939,520 |
| Sales and service tax | 829,111 | 205,834 | 829,111 | 205,834 |
| | 26,125,178 | 25,183,797 | 26,086,633 | 25,145,354 |

## 20. REVENUE

| | The Group/The Company | |
|---|---|---|
| | 2022 RM | 2021 RM |
| Recognised over time | | |
| Membership fee | 729,350 | 690,245 |
| Recognised at a point in time | | |
| Services rendered | 12,344,844 | 4,443,780 |
| | 13,074,194 | 5,134,025 |

## 21. COST OF SALES

| | The Group/The Company | |
|---|---|---|
| | 2022 RM | 2021 RM |
| Services rendered | 8,317,404 | 1,806,847 |

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## 22. GOVERNMENT GRANT

| | The Group/The Company | |
|---|---|---|
| | **2022** | **2021** |
| | RM | RM |
| Development grant | 52,234,450 | 46,652,763 |
| Operating grant | 3,861,670 | 3,250,000 |
| | 56,096,120 | 49,902,763 |

## 23. ADMINISTRATIVE EXPENSES

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | RM | RM | RM | RM |
| Expenses for project with grants | 51,644,757 | 46,342,453 | 51,644,757 | 46,342,453 |
| Staff costs | 7,702,230 | 5,631,008 | 7,377,563 | 5,580,064 |
| Others | 1,894,230 | 1,817,724 | 1,945,360 | 1,816,741 |
| Auditors' remuneration | 94,090 | 94,090 | 77,700 | 77,700 |
| Director's remuneration | 7,412 | 29,122 | - | - |
| | 61,342,719 | 53,914,397 | 61,045,380 | 53,816,958 |

## 24. INCOME TAX EXPENSE

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | RM | RM | RM | RM |
| Current tax expense: | | | | |
| - for the financial year | 504,800 | 578,000 | 500,000 | 578,000 |
| - (over)/under provision in the previous financial year | (45,500) | 2,160 | (47,835) | 2,160 |
| | 459,300 | 580,160 | 452,165 | 580,160 |

## 24. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Profit before taxation | 4,722,478 | 1,127,104 | 6,059,497 | 1,214,898 |
| Tax at the statutory tax rate of 24% | 1,133,395 | 270,506 | 1,454,279 | 291,576 |
| Tax effects of:- | | | | |
| Share of results in associates | (268,196) | - | - | - |
| Non-deductible expenses | 896,284 | 280,997 | 290,608 | 259,927 |
| Non-taxable income | (1,214,400) | - | (1,200,000) | - |
| Deferred tax assets not recognised during the financial year | - | 26,497 | - | 26,497 |
| Utilisation of deferred tax assets previously not recognised | (42,283) | - | (44,887) | - |
| (Over)/Under provision of current tax in the previous financial year | (45,500) | 2,160 | (47,835) | 2,160 |
| Income tax expense for the financial year | 459,300 | 580,160 | 452,165 | 580,160 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021 - 24%) of the estimated assessable profit for the financial year.

No deferred tax assets are recognised for the following items:-

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2022 RM | 2021 RM | 2022 RM | 2021 RM |
| Accelerated capital allowances | (290,000) | (249,000) | (290,000) | (249,000) |
| Unutilised tax losses | 444,000 | 434,000 | - | - |
| Other provisions | 1,389,000 | 1,535,000 | 1,462,000 | 1,608,000 |
| | 1,543,000 | 1,720,000 | 1,172,000 | 1,359,000 |

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment.

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## 25. CASH FLOW INFORMATION

(a) The reconciliation of liability arising from financing activities (besides movement of government grants) is as follows:-

| | The Group/The Company | |
|---|---|---|
| | **2022** | **2021** |
| | RM | RM |
| **Lease liabilities** | | |
| At 1 January | 19,393 | 36,778 |
| Change in Financing Cash Flows | | |
| Repayment of principal | (18,351) | (17,385) |
| Repayment of interests | (1,429) | (875) |
| | (19,780) | (18,260) |
| Non-cash Change | | |
| Addition | 116,352 | - |
| Changes due to lease modification | (12,932) | - |
| Interest expense | 1,429 | 875 |
| At 31 December | 104,462 | 19,393 |

(b) The cash and cash equivalents comprise the following:-

| | The Group | | The Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | RM | RM | RM | RM |
| Fixed deposits with a licensed bank | 75,575,926 | 90,388,481 | 73,548,474 | 88,378,910 |
| Cash and bank balances | 2,418,168 | 965,271 | 1,895,532 | 442,556 |
| | 77,994,094 | 91,353,752 | 75,444,006 | 88,821,466 |
| Less:- | | | | |
| Fixed deposits with maturity of more than 3 months | (17,768,682) | (8,182,865) | (17,768,682) | (8,182,865) |
| Fixed deposits pledged to a licensed bank | (1,635,892) | (1,611,652) | (1,635,892) | (1,611,652) |
| | 58,589,520 | 81,559,235 | 56,039,432 | 79,026,949 |

## 26. RELATED PARTY DISCLOSURES

**Identities of Related Parties**

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

## 27. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 27.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

**(a) Market Risk**

(i) Foreign Currency Risk

The Group does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group does not have any quoted investments and hence, is not exposed to equity price risk.

**(b) Credit Risk**

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted approximately 47% of its trade receivables as at the end of the reporting period.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when the receivable is in significant financial difficulties.

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than one year past due.

<u>Trade Receivables</u>

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on the Group's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

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## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

*Allowance for Impairment Losses*

| The Group/The Company | Gross Amount RM | Individual Impairment RM | Collective Impairment RM | Carrying Amount RM |
|---|---|---|---|---|
| **2022** | | | | |
| Current (not past due) | 417,931 | - | - | 417,931 |
| 1 to 30 days past due | 1,539,832 | - | - | 1,539,832 |
| 31 to 60 days past due | 216,436 | - | - | 216,436 |
| 61 to 90 days past due | 419,121 | - | - | 419,121 |
| More than 90 days past due | 1,052,696 | - | - | 1,052,696 |
| | 3,646,016 | - | - | 3,646,016 |
| **2021** | | | | |
| Current (not past due) | 1,026,324 | - | - | 1,026,324 |
| 1 to 30 days past due | 543,798 | - | - | 543,798 |
| 31 to 60 days past due | 279,076 | - | - | 279,076 |
| 61 to 90 days past due | 413,561 | - | - | 413,561 |
| More than 90 days past due | 254,464 | - | - | 254,464 |
| | 2,517,223 | - | - | 2,517,223 |

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(b) Credit Risk (Cont'd)**

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables and Amount Owing By Subsidiaries

The Group and the Company applies the 3-stage general approach to measuring expected credit losses for its other receivables and amount owing by subsidiaries.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

*Allowance for Impairment Losses*

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

**(c) Liquidity Risk**

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances with funds granted by the government.

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## 27. FINANCIAL INSTRUMENTS (CONT'D)

27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

**(c) Liquidity Risk (Cont'd)**

*Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

| The Group | Weighted Average Effective Interest Rate % | Carrying Amount RM | Contractual Undiscounted Cash Flows RM | Within 1 Year RM | 1 - 5 years RM |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Non-derivative Financial Liabilities | | | | | |
| Trade payables | - | 2,692,439 | 2,692,439 | 2,692,439 | - |
| Other payables and accruals | - | 25,296,067 | 25,296,067 | 25,296,067 | - |
| | | 27,988,506 | 27,988,506 | 27,988,506 | - |
| Other financial liability | | | | | |
| Lease liabilities | 3.50 | 104,462 | 109,500 | 17,520 | 91,980 |
| | | 28,092,968 | 28,098,006 | 28,006,026 | 91,980 |
| **2021** | | | | | |
| Non-derivative Financial Liabilities | | | | | |
| Trade payables | - | 3,802,470 | 3,802,470 | 3,802,470 | - |
| Other payables and accruals | - | 24,977,963 | 24,977,963 | 24,977,963 | - |
| | | 28,780,433 | 28,780,433 | 28,780,433 | - |
| Other financial liability | | | | | |
| Lease liabilities | 3.50 | 19,393 | 19,775 | 15,495 | 4,280 |
| | | 28,799,826 | 28,800,208 | 28,795,928 | 4,280 |

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## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

*Maturity Analysis (Cont'd)*

The maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

| The Company | Weighted Average Effective Interest Rate % | Carrying Amount RM | Contractual Undiscounted Cash Flows RM | Within 1 Year RM | 1 - 5 years RM |
|---|---|---|---|---|---|
| **2022** | | | | | |
| Non-derivative Financial Liabilities | | | | | |
| Trade payables | - | 2,692,439 | 2,692,439 | 2,692,439 | - |
| Other payables and accruals | - | 25,257,522 | 25,257,522 | 25,257,522 | - |
| | | 27,949,961 | 27,949,961 | 27,949,961 | - |
| Other financial liability | | | | | |
| Lease liabilities | 3.50 | 104,462 | 109,500 | 17,520 | 91,980 |
| | | 28,054,423 | 28,059,461 | 27,967,481 | 91,980 |
| **2021** | | | | | |
| Non-derivative Financial Liabilities | | | | | |
| Trade payables | - | 3,802,470 | 3,802,470 | 3,802,470 | - |
| Other payables and accruals | - | 24,939,520 | 24,939,520 | 24,939,520 | - |
| | | 28,741,990 | 28,741,990 | 28,741,990 | - |
| Other financial liability | | | | | |
| Lease liabilities | 3.50 | 19,393 | 19,775 | 15,495 | 4,280 |
| | | 28,761,383 | 28,761,765 | 28,757,485 | 4,280 |

## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.2 CAPITAL RISK MANAGEMENT

The Company has no bank borrowings. No debt-to-equity ratio is presented.

### 27.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

| | The Group | | The Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| | RM | RM | RM | RM |
| **Financial Asset** | | | | |
| Amortised Cost | | | | |
| Trade receivables | 3,646,016 | 2,517,223 | 3,646,016 | 2,517,223 |
| Other receivables | 2,291,957 | 28,317,840 | 2,291,957 | 28,317,840 |
| Amount owing by subsidiaries | - | - | 5,884,497 | 580,125 |
| Fixed deposits with a licensed bank | 75,575,926 | 90,388,481 | 73,548,474 | 88,378,910 |
| Cash and bank balances | 2,418,168 | 965,271 | 1,895,532 | 442,556 |
| | 83,932,067 | 122,188,815 | 87,266,476 | 120,236,654 |
| **Financial Liability** | | | | |
| Amortised Cost | | | | |
| Trade payables | 2,692,439 | 3,802,470 | 2,692,439 | 3,802,470 |
| Other payables and accruals | 25,296,067 | 24,977,963 | 25,257,522 | 24,939,520 |
| | 27,988,506 | 28,780,433 | 27,949,961 | 28,741,990 |

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## 27. FINANCIAL INSTRUMENTS (CONT'D)

### 27.4 GAINS ARISING FROM FINANCIAL INSTRUMENTS

| | **The Group** | | **The Company** | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| | RM | RM | RM | RM |
| **Financial Asset** | | | | |
| Amortised Cost | | | | |
| Net gain recognised in profit or loss | 1,483,541 | 1,231,395 | 1,465,660 | 1,221,664 |

### 27.5 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position.

The financial value of the financial assets and financial liabilities of the Group and of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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**FINANCIAL REPORT**
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Malaysian Green Technology
and Climate Change Corporation

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