Registration No: 201901025625 (1334954-V)

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

REPORTS AND FINANCIAL STATEMENTS

31 OCTOBER 2020

GRANT THORNTON MALAYSIA PLT
CHARTERED ACCOUNTANTS
Member firm of Grant Thornton International Ltd

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CONTENTS	PAGES

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

CORPORATE INFORMATION

DIRECTORS	Dato' Goh Kang Beng (Appointed on 15 October 2020) Datin Khoo Ah Bee (Appointed on 15 October 2020) Dato' Koh Chun Kiat (Appointed on 15 October 2020) Lam Ah Ngan (Resigned on 15 October 2020) Yew Kong Seong (Resigned on 15 October 2020)
SECRETARY	Wong Youn Kim
REGISTERED OFFICE	Level 2, Tower 1, Avenue 5 Bangsar South City 59200 Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	No. 3, Lorong Landasan Off Jalan Bukit Kuda 41300 Klang Selangor Darul Ehsan
AUDITORS	Grant Thornton Malaysia PLT (Member firm of Grant Thornton International Ltd) Chartered Accountants Level 11, Sheraton Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 7(a) to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

FINANCIAL RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year attributable to owners of the Company	1,198,507	(9,060)

DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial period.

The Directors do not recommend any final dividend payment for the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the following shares of RM0.15 each were issued:-

Date of issue	Number of shares	Type of shares	Term of issue	Purpose of issue
14 October 2020	122,026,667	Ordinary shares	Share swap	Acquisition of subsidiaries

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

There were no new issuance of debentures during the financial year.

DIRECTORS

The Directors of the Company who held office during the financial year and up to the date of this report are as follows:-

Dato' Goh Kang Beng (Appointed on 15 October 2020)*
Datin Khoo Ah Bee (Appointed on 15 October 2020)*
Dato' Koh Chun Kiat (Appointed on 15 October 2020)
Lam Ah Ngan (Resigned on 15 October 2020)
Yew Kong Seong (Resigned on 15 October 2020)

* Directors of the Company and of certain subsidiaries

The Directors of subsidiaries who held office during the financial year and up to the date of this report are as follows:-

Goh Teck How
Goh Teck Xiang

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	Number of ordinary shares				
	At 1.11.2019	Bought	Additional*	Sold	At 31.10.2020
Direct interest in the Company					
Dato' Goh Kang Beng	-	50	115,261,224	-	115,261,274
Datin Khoo Ah Bee	-	50	6,765,443	-	6,765,493
Lam Ah Ngan	50	-	-	(50)	-
Yew Kong Seong	50	-	-	(50)	-

* The additional were consequent to the share swap from the acquisition of subsidiaries on 14 October 2020.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONT'D)

By virtue of the direct interest of Dato' Goh Kang Beng and Datin Khoo Ah Bee in the Company, they are also deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest under Section 8 of the Companies Act, 2016 in Malaysia.

Dato' Koh Chun Kiat had no interest in the shares of the Company or its related corporations during the financial year.

DIRECTORS' FEES AND BENEFITS

During the financial year, there was no remuneration including fee paid to or receivable by the Directors for their services to the Company.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with a 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.

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There is no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year.

OTHER STATUTORY INFORMATION

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

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required; and

(b) to ensure that any current assets which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

(a) which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Group and of the Company; or

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

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances (cont'd):-

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

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

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

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability 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.

In the opinion of the Directors:-

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

(b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

The significant event during the financial year and subsequent to the reporting period is disclosed in Note 32 to the Financial Statements.

AUDITORS

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and of its subsidiaries for the financial year ended 31 October 2020 are amounted to RM10,000 and RM56,500 respectively.

The Company has agreed to indemnify the Auditors, Grant Thornton Malaysia PLT, as permitted under Section 289 of the Companies Act, 2016 in Malaysia. No payment has been made to indemnify Grant Thornton Malaysia PLT for the financial year ended 31 October 2020.

The Auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

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

....	)	
DATO' GOH KANG BENG	)	
	)	DIRECTORS
....	)	
DATIN KHOO AH BEE	)	

Kuala Lumpur
23 February 2021

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on the pages 14 to 68 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 October 2020 and of their financial performance and cash flows for the financial year then ended.

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

....	....
DATO' GOH KANG BENG	DATIN KHOO AH BEE

Kuala Lumpur
23 February 2021

STATUTORY DECLARATION

I, Dato' Goh Kang Beng, being the Director primarily responsible for the financial management of BV Land Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on the pages 14 to 68 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory this day of)
23 February 2021)
) ………...
DATO' GOH KANG BENG

Before me:

Commissioner for Oaths:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES
Registration No: 201901025625 (1334954-V)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BV Land Holdings Berhad ("the Company") which comprise the statements of financial position as at 31 October 2020 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 14 to 68.

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 October 2020, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Group and 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.

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

Key audit matters

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

Group

Key audit matters	**How our audit addressed the key audit matters**
Revenue and cost of sales recognition for property development and construction activities. As per Note 18, the Group recognises revenue and cost of sales for property development and construction activities based on the measurement of the Group's progress towards complete satisfaction of the Group's performance obligations. In determining the progress, management is required to exercise significant judgement in estimating total costs to complete and total estimated revenue. As such, we have identified this area as a significant risk requiring special audit consideration.	Our audit procedures included, amongst others:- • Inquiries with the operational and financial personnel of the Group for the assumptions used; • Comparing estimated costs to actual costs to assess the reliability of management's budgeting process and control; • Inspecting contracts with sub-contractors; • Performing analyses of cost budgets; • Understanding and evaluating the operating effectiveness of key controls surrounding revenue and cost of sales; • Performing site visits of all ongoing projects; • Performing analyses of total estimated revenue;and • Testing the computation of revenue and cost of sales recognised over time.

There are no key audit matters in relation to the financial statements of the Company.

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 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 do not cover the other information and we do not express any form of assurance conclusion thereon.

Registration No: 201901025625 (1334954-V)

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

Information Other than the Financial Statements and Auditors' Report Thereon (cont'd)

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

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

Responsibilities of Directors for the Financial Statements

The Directors of the Group and the Company are responsible for the preparation of financial statements of the Group and the Company that give a true and fair view in accordance with MFRSs, IFRSs and the requirements of 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 the Company that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

We have communicated 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 identified during our audit.

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

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

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

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

Other Matter

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

GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)

OOI POH LIM
(NO: 03087/10/2021 J)
CHARTERED ACCOUNTANT

Kuala Lumpur
23 February 2021

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2020

	Note	Group 31.10.2020 RM	Company 31.10.2020 RM	Company 31.10.2019 RM
ASSETS				
Non-current assets				
Property, plant and equipment	4	909,455	-	-
Investment properties	5	1,945,991	-	-
Inventory properties	6	3,974,068	-	-
Investment in subsidiaries	7(a)	-	18,304,000	-
Deferred tax assets	8	310,405	-	-
Total non-current assets		7,139,919	18,304,000	-
Current assets				
Inventory properties	6	13,931,519	-	-
Trade receivables	9	2,896,911	-	-
Other receivables	10	2,115,237	-	-
Contract assets	11	1,388,799	-	-
Tax recoverable		1,267,131	-	-
Cash and bank balances		723,685	100	100
Total current assets		22,323,282	100	100
TOTAL ASSETS		29,463,201	18,304,100	100
EQUITY AND LIABILITIES				
EQUITY				
Equity attributable to owners of the Company:-				
Share capital	12(a)	18,304,100	18,304,100	100
Merger deficit	12(b)	(8,951,594)	-	-
Retained earnings/(Accumulated losses)		9,643,006	(20,978)	(11,918)
Total equity		18,995,512	18,283,122	(11,818)
LIABILITIES				
Non-current liabilities				
Lease liabilities	13	105,727	-	-
Borrowings	14	2,519,506	-	-
Total non-current liabilities		2,625,233	-	-

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION AS AT 31 OCTOBER 2020 (CONT'D)

	Note	Group 31.10.2020 RM	Company 31.10.2020 RM	Company 31.10.2019 RM
EQUITY AND LIABILITIES (CONT'D)				
LIABILITIES (CONT'D)				
Current liabilities				
Trade payables	15	4,454,348	-	-
Other payables	16	1,448,070	12,022	11,918
Contract liabilities	11	1,105,129	-	-
Amount due to a subsidiary	7(b)	-	8,956	-
Amount due to a Director	17	571,592	-	-
Lease liabilities	13	105,237	-	-
Borrowings	14	158,080	-	-
Total current liabilities		7,842,456	20,978	11,918
Total liabilities		10,467,689	20,978	11,918
TOTAL EQUITY AND LIABILITIES		29,463,201	18,304,100	100

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

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

	Note	Group	Company	
		1.11.2019 to 31.10.2020 RM	1.11.2019 to 31.10.2020 RM	19.7.2019 to 31.10.2019 RM
Revenue	18	11,816,662	-	-
Cost of sales		(8,364,409)	-	-
Gross profit		3,452,253	-	-
Other income		203,856	-	-
Other expenses		(89,466)	-	-
Administrative expenses		(1,830,373)	(9,060)	(11,918)
Operating profit/(loss)		1,736,270	(9,060)	(11,918)
Finance income		4,556	-	-
Finance costs		(186,771)	-	-
Profit/(Loss) before tax	19	1,554,055	(9,060)	(11,918)
Tax expense	20	(355,548)	-	-
Profit/(Loss) for the financial year/period/Total comprehensive income/(loss) for the financial year/period		1,198,507	(9,060)	(11,918)
Profit/(Loss)/Total comprehensive income/(loss) for the financial year/period attributable to:-				
Owners of the Company		1,198,507	(9,060)	(11,918)
Earnings per share				
- Basic (sen)	24	21.09		
- Diluted (sen)	24	*		

** There are no potential dilutive equity instruments that would dilute the basic earnings per share.*

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

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

	Note	← **Non-distributable**	→	**Distributable** (Accumulated losses)/	
		Share capital RM	Merger deficit RM	Retained earnings RM	Total RM
Group					
Balance at 1 November 2019		100	-	(11,918)	(11,818)
Total comprehensive income for the financial year		-	-	1,198,507	1,198,507
Transactions with owners:-					
Share issuance pursuant to acquisition of subsidiaries	12(a)	18,304,000	-	-	18,304,000
Effect of merger of subsidiaries	12(b)	-	(15,804,000)	8,456,417	(7,347,583)
Issuance of shares by subsidiaires	12(b)	-	6,852,406	-	6,852,406
Total transactions with owners		18,304,000	(8,951,594)	8,456,417	17,808,823
Balance at 31 October 2020		18,304,100	(8,951,594)	9,643,006	18,995,512
Company					
Balance at date of incorporation		100	-	-	100
Total comprehensive loss for the financial period		-	-	(11,918)	(11,918)
Balance at 31 October 2019		100	-	(11,918)	(11,818)
Total comprehensive loss for the financial year		-	-	(9,060)	(9,060)
Transaction with owners:-					
Share issuance pursuant to acquisition of subsidiaries	12(a)	18,304,000	-	-	18,304,000
Total transaction with owners		18,304,000	-	-	18,304,000
Balance at 31 October 2020		18,304,100	-	(20,978)	18,283,122

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

BV LAND HOLDINGS BERHAD

(Incorporated in Malaysia)

AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020

	Note	Group	Company	
		1.11.2019 to 31.10.2020	1.11.2019 to 31.10.2020	19.7.2019 to 31.10.2019
		RM	RM	RM
OPERATING ACTIVITIES				
Profit/(Loss) before tax		1,554,055	(9,060)	(11,918)
Adjustments for:-				
Depreciation of property, plant and equipment		178,686	-	-
Depreciation of investment properties		29,800	-	-
Write-off of property, plant and equipment		89,466	-	-
Interest income		(4,556)	-	-
Interest expense		186,771	-	-
Operating profit/(loss) before working capital changes		2,034,222	(9,060)	(11,918)
Changes in working capital:-				
Inventory properties		(5,727,130)	-	-
Receivables		6,607,534	-	-
Payables		890,259	104	11,918
Contract balances		1,187,833	-	-
Cash generated from/(used in) operations		4,992,718	(8,956)	-
Tax paid		(1,015,185)	-	-
Net cash from/(used in) operating activities		3,977,533	(8,956)	-
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**A**	(113,163)	-	-
Interest received		4,556	-	-
Net cash used in investing activities		(108,607)	-	-
FINANCING ACTIVITIES				
Advances from Directors		571,592	-	-
Advance from a subsidiary		-	8,956	-
Interest paid		(105,417)	-	-
Repayments of term loans		(78,487)	-	-
Repayments of lease liabilities		(79,097)	-	-
Dividends paid	23	(3,188,319)	-	-
Net cash used in financing activities		(2,879,728)	8,956	-

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020 (CONT'D)

	Note	Group	Company	
		1.11.2019 to 31.10.2020	1.11.2019 to 31.10.2020	19.7.2019 to 31.10.2019
		RM	RM	RM
CASH AND CASH EQUIVALENTS				
Net changes		989,198	-	-
Effect of acquisition of subsidiaries	**B**	(265,613)	-	-
At the beginning of financial year/At date of incorporation		100	100	100
At the end of financial year/period		723,685	100	100

NOTES TO THE STATEMENTS OF CASH FLOWS

A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	Group	Company	
	1.11.2019 to 31.10.2020	1.11.2019 to 31.10.2020	19.7.2019 to 31.10.2019
	RM	RM	RM
Total additions	193,163	-	-
Less: Acquisition through lease liabilities	(80,000)	-	-
Total cash used	113,163	-	-

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 OCTOBER 2020 (CONT'D)

NOTES TO THE STATEMENTS OF CASH FLOWS (CONT'D)

B. EFFECT OF ACQUISITION OF SUBSIDIARIES

	Group 31.10.2020 RM
Property, plant and equipment	984,444
Inventory properties	12,178,457
Investment properties	1,975,791
Trade receivables	5,443,189
Other receivables	6,176,493
Contract assets	1,471,503
Tax recoverable	929,899
Cash and bank balances	305,491
Lease liabilities	(210,061)
Term loans	(2,674,719)
Bank overdrafts	(571,104)
Deferred tax liability	(12,000)
Trade payables	(4,413,381)
Other payables	(586,860)
Amount due to Directors	(10,040,725)
Net assets acquired	10,956,417
Less: Settlement through issuance of shares	(10,956,417)
Less: Net bank overdrafts acquired	(265,613)
Net cash outflows from acquisition of subsidiaries	(265,613)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1.11.2019 RM	Effect of acquisition of subsidiaries RM	Drawdowns/ Additions RM	Interest accrued RM	Repayments RM	31.10.2020 RM
Group						
Lease liabilities	-	210,061	80,000	-	(79,097)	210,964
Term loans	-	2,674,719	-	81,354	(78,487)	2,677,586
Total liabilities from financing activities	-	2,884,780	80,000	81,354	(157,584)	2,888,550

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

BV LAND HOLDINGS BERHAD
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS – 31 OCTOBER 2020

1. GENERAL INFORMATION

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at No. 3, Lorong Landasan, Off Jalan Bukit Kuda, 41200 Klang, Selangor Darul Ehsan.

The principal activity of the Company is investment holding.

The principal activities of the subsidiaries are disclosed in Note 7(a) to the Financial Statements.

There have been no significant changes in the nature of the principal activities of the Company and of its subsidiaries during the financial year.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 23 February 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. BASIS OF PREPARATION (CONT'D)

2.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

2.4 MFRSs

2.4.1 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all years presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial years beginning on or after 1 January 2019.

Initial application of new standards/amendments/improvements to the standards did not have significant material impact to the financial statements.

2.4.2 Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been early adopted by the Group and the Company.

The management anticipates that all relevant pronouncements will be adopted in the Group's and the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

The initial application of the new standards, amendments and interpretations are not expected to have any material impact to the financial statements of the Group and of the Company.

2.5 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and of the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:-

Useful lives of depreciable assets

The management estimates the useful lives of the property, plant and equipment and investment properties, to be 2 to 50 years and reviews the useful lives of depreciable assets at each reporting date. The management assesses that the useful lives represent the expected utility of the assets to the Group. Actual results, however, may vary due to changes in the expected level of usage and developments, resulting in adjustment to the Group's assets.

The management expects that the expected useful lives of the property, plant and equipment and investment properties would not have material difference from the management's estimation hence it would not result in material variance in the Group's profit for the financial year.

The carrying amount of the Group's property, plant and equipment and investment properties at the reporting date are disclosed in Notes 4 and 5 to the Financial Statements.

Provision for expected credit losses ("ECL") of receivables and contract assets

Credit losses are the differences between all contractual cash flows that the Group is due and the cash flows that it actually expects to receive. An ECL is the probability-weighted estimate of credit losses which requires the Group's judgement. The ECL are discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

The Group uses a provision matrix to calculate ECL for receivables and contract assets. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as geography, customer type and rating, and coverage by letters of credit and other forms of credit insurance.

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

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Provision for expected credit losses ("ECL") of receivables and contract assets (cont'd)

The assessment of the correlation between historical observed rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customers' actual default rate in the future.

The carrying amount of the Group's receivables and contract assets at the reporting date are disclosed in Notes 9, 10 and 11 to the Financial Statements.

Impairment of non-financial assets

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. In the process of measuring expected future cash flows management makes assumptions about future operating results. The actual results may vary and may cause significant adjustments to the Group's and the Company' assets within the next financial year.

In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which all the deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

Income taxes

Significant estimation is involved in determining the Group's and the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.1 Estimation uncertainty (cont'd)

Property development/Construction contracts

The Group recognises property development revenue and expenses/contact revenue and contract costs in profit or loss by using the "percentage of completion" method. The percentage of completion is determined by the proportion of property development costs/contract costs incurred for work performed up to the reporting period over the estimated total property development costs/contract costs.

Significant estimate is required in determining the percentage of completion, the extent of the property development costs/contract costs incurred, the estimated total property development revenue and costs/contract revenue and expenses, as well as the recoverability of the development/construction projects. In making the judgements, the Group evaluates based on past experience and by relying on the work of specialists.

Leases

As a lessee, the Group is subject to increases in rental throughout the lease period, as imposed by the landlord. The management uses all currently available information to develop an estimate of the expected increase in rental, and reflects such estimates within the right-of-use asset and lease liability calculations. If a reliable estimate is not available, the management analyses historical increases in rental, and prudently assumes that the rental will continue to increase at such a rate.

2.5.2 Significant management judgements

The significant management judgements used when applying the accounting policies of the Group that had the most significant effect on the financial statements:-

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rental income or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a lease). If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

2. BASIS OF PREPARATION (CONT'D)

2.5 Significant accounting estimates and judgements (cont'd)

2.5.2 Significant management judgements (cont'd)

Classification between investment properties and owner-occupied properties (cont'd)

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Leases

In applying MFRS 16, management uses judgement in determining the rate to discount the lease payments and assess whether a right-of-use asset is impaired.

In most cases, determining the appropriate discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. In assessing the lease term and the likelihood of any extensions or early terminations, the management monitors the cash inflows from each right-of-use asset and evaluates whether such extensions or early terminations would lead to economic benefits for the Group.

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies, as summarised below, consistently throughout all periods presented in the financial statements, unless otherwise stated.

3.1 Basis of consolidation

3.1.1 Consolidation

The financial statements include the audited financial statements of BV Land Holdings Berhad and all of its subsidiaries made up to the end of the financial year.

All inter-company balances and significant inter-company transactions and resulting unrealised profits or losses are eliminated on consolidation and the financial statements reflect external transactions and balances only. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the profit or loss from the effective date in which control is transferred to the Group and the Company or in which control ceases respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

3.1.2 Common control business combination outside the scope of MFRS 3

A business combination involving entities under common control is a business combination in which all the Group and the Company or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. A business combination involving common control entities, and accordingly the accounting principles are used to include the assets, liabilities, results, equity changes and cash flows of the Group and of the Company in the financial statements.

In applying merger accounting, financial statements items of the Group and of the Company or businesses for the reporting years in which the common control combination occurs, and for any comparative years disclosed, are included in the financial statements of the entity as if the combination had occurred from the date when the Group and the Company first came under the control of the controlling party or parties prior to the common control combination.

A single uniform set of accounting policies is adopted by the entity. Therefore, the entity recognised the assets, liabilities and equity of the Group and of the Company or business at the carrying amounts in the financial statements of the controlling party or parties to the common control combination.

The carrying amounts are included as if such financial statements had been prepared by the controlling party, including adjustments required for conforming the entity's accounting policies and applying those policies to all years presented. There is no recognition of any goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of the common control combination. The effects of all transactions between the Group and the Company or businesses, whether occurring before or after the combination, are eliminated in preparing the financial statements of the entity.

Under the merger method of accounting, the results of subsidiaries are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities are accounted for based on the carrying amounts from the perspective of the common control shareholders at the date of transfer. On combination, the cost of the merger is cancelled with the values of the shares received. Any resulting credit difference is classified as equity and regarded as a non-distributable reserve. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in merger reserve.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

3.1.3 Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when BV Land Holdings Berhad is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. In circumstances when the voting rights are not more than half or when voting rights are not the dominant determinant of control, the Company uses judgements to assess whether it has de facto control, control by other arrangements, or by holding substantive potential voting rights.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when control over the subsidiary is lost. Where an indication of impairment exists, the carrying amount of the subsidiaries is assessed and written down immediately to their recoverable amount. Upon disposal of investment in subsidiaries, the difference between the net disposal proceeds and its carrying amount is included in profit or loss.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with BV Land Holdings Berhad's accounting policies.

3.2 Property, plant and equipment

All property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bring the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

Depreciation is recognised on the straight-line method in order to write off the cost of each asset over its estimated useful lives. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Freehold land and building	50 years
Air conditioner	5 years
Furniture and fittings	10 years
Motor vehicles	5 years
Office equipment	10 years
Renovation	10 years
Signboard	5 years
Site equipment	10 years
Office premises	2 to 6 years

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

3.3 Investment properties

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

Investment properties are treated as long-term investment and are measured at cost, including transaction costs less any accumulated depreciation and impairment losses. Investment properties which are freehold buildings, or where not separable, freehold land and buildings are depreciated over its useful life for 50 years. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment properties (cont'd)

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change. When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

3.4 Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes freehold land and rights for land, amounts paid to contractors for construction, borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs to sale.

The cost of inventory recognised in profit or loss on disposal is determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

3.5 Property development

Where property is under development and agreement has been reached to sell such property when construction is complete, the Directors consider whether the contract comprises a contract to construct a property or a contract for the sale of a completed property.

Where a contract is judged to be for the construction of a property, revenue is recognised using the percentage of completion method as construction progresses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property development (cont'd)

Where the contract is judged to be for the sale of a completed property, revenue is recognised when the significant risks and rewards of ownership of the real estate have been transferred to the buyer. If, however, the legal terms of the contract are such that the construction represents the continuous transfer of work in progress to the purchaser, the percentage of completion method of revenue recognition is applied and revenue is recognised as work progresses. Continuous transfer of work in progress is applied when:-

(a) The buyer controls the work in progress, typically when the land on which the development is taking place is owned by the final customer, and

(b) All significant risks and rewards of ownership of the work in progress in its present state are transferred to the buyer as construction progresses, typically when buyer cannot put the incomplete property back to the Group.

In such conditions, the percentage of work completed is measured based on the costs incurred up until the end of the reporting period as a proportion of total costs expected to be incurred.

The aggregate of the costs incurred for the property development projects are reflected as Inventory properties in the statements of financial position, after set off against the property development costs qualified to be recognised in profit or loss, determined based on the percentage of completion method.

3.6 Leases

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

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:-

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (cont'd):-

- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where all the decisions about how and for what purpose the asset is used are predetermined, the Group has the right to direct the use of the asset if either:-
  - the Group has the right to operate the asset; or
  - the Group a designed the asset in a way that predetermines how and for what purpose it will be used.

3.6.1 <u>As a lessee</u>

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee or if the Group changes their assessment of whether it will exercise a purchase, extension or termination option.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

3.6.1 As a lessee (cont'd)

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

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

3.6.2 As a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

3.6.2.1 Finance lease

Leases in terms of which the lessee assumes substantially all the risks and rewards of ownership are classified as finance lease. Upon initiation of such a lease, the Group derecognises the underlying asset and a corresponding lease asset recognised at an amount equal to present value of the minimum lease receipts.

Minimum lease receipts under finance leases are apportioned between finance income and reduction of the lease asset so as to achieve a constant rate of interest on the remaining balance of the asset. Finance income are recognised in other income in the profit or loss. Contingent lease receipts are not accounted for unless receipt of such amounts is virtually certain.

3.6.2.2 Operating lease

Leases in which the lessee does not assume substantially all the risks and rewards of ownership are classified as operating lease, the leased assets continue to be recognised on the statements of financial position, and are depreciated accordingly.

Income under operating leases are recognised in profit or loss on straight-line basis over the lease period. Lease incentives granted are recognised in profit or loss as an integral part of the total lease income, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are earned.

3.7 Impairment of non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Impairment of non-financial assets (cont'd)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

3.8 Financial instruments

3.8.1 Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

3.8.2 Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with MFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:-

- amortised cost;
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI").

In the periods presented, the Group and the Company do not have any financial assets categorised as FVTPL or FVOCI.

The classification is determined by both:-

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.2 Classification and initial measurement of financial assets (cont'd)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3.8.3 Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):-

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The amortised cost of a financial assets is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's financial assets at amortised cost include trade and most of the other receivables, and cash and bank balances, whereas the Company's financial assets at amortised cost include cash and bank balances.

3.8.4 Impairment of financial assets

The Group and the Company recognise an allowance for ECL on financial assets measured at amortised cost and contract assets. ECL are a probability-weighted estimate of credit losses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.4 Impairment of financial assets (cont'd)

The Group and the Company measure loss allowances at an amount equal to lifetime ECL, except for debt securities that are determined to have low credit risk at the reporting date, cask and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECL. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

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

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while 12-month ECL are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the ECL on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Financial instruments (cont'd)

3.8.5 Classification and measurement of financial liabilities

The Group's financial liabilities include trade and other payables, amount due to a Director and borrowings, whereas the Company's financial liabilities include other payables and amount due to a subsidiary.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group and the Company have designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specific debtor fails to make a payment when due in accordance with the terms of a debt instrument.

3.8.6 Offsetting of financial instruments

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

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances, which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statements of financial position, cash and cash equivalents restricted to be used to settle a liability of 12 months or more after the reporting date are classified as non-current assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Retained earnings/(Accumulated losses) include all current year's profits and prior year's losses.

Interim dividends are simultaneously proposed and declared, because the articles of association of the Company grant the Directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Final dividends proposed by the Directors are not accounted for in shareholder's equity as an appropriation of retained earnings, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognsied as a liability.

All transactions with owners of the Company are recorded separately within equity.

3.11 Provisions

Provisions are recognised when there is a present legal or constructive obligation that can be estimated reliably, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time of money is material, provision are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is not recognised in the statements of financial position and is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

3.13 Revenue

3.13.1 Revenue from contracts with customers

The Group recognises revenue from contracts with customers for services based on the five-step model as set out in this Standard:-

i. Identify contracts with a customer. A contract is defined as an arrangement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

ii. Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer either a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

iii. Determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

iv. Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group allocates transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

v. Recognise revenue when (or as the Group satisfies a performance obligation. An asset is transferred when (or as) the customer obtains control of the asset.

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

3.13 **Revenue (cont'd)**

3.13.1 **Revenue from contracts with customers (cont'd)**

The Group satisfies a performance obligation and recognises revenue over time if the Group's performance:-

i. Does not create an asset with an alternative use to the Group, and has an enforceable right to payment for performance completed to-date; or

ii. Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii. Provides benefits that the customer simultaneously receives and consumes as the Group performs its performance obligations.

For performance obligations where any one of the above conditions not met, revenue is recognised at a point of time at which the performance obligation is satisfied.

When the Group satisfies a performance obligation by delivering the promised goods or service, it creates a contract based on asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at fair value of consideration received or receivable. The following describe the performance obligation in contracts with customers:-

3.13.1.1 **Construction revenue**

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and function or their ultimate purpose or use.

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised over the period of contract as revenue and expenses respectively by reference to the percentage of completion of the performance obligation at the end of the reporting period. The Group uses the percentage of completion method to determine the appropriate amount of revenue and costs to be recognised in a period of the contract by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract cost.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that is probably recoverable and contract costs are recognised as expenses in the period in which they are incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue (cont'd)

3.13.1 Revenue from contracts with customers (cont'd)

3.13.1.1 Construction revenue (cont'd)

Irrespective whether the outcome of a construction contract can be estimated reliably, when it is probable that contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

3.13.1.2 Property development

Revenue from sale of development properties is recognised based on the 'percentage of completion' method in respect of units sold. The stage of completion of a development activity is determined by way of surveys of work performed. Any foreseeable losses are recognised in advance of completion to the extent determinable.

3.13.1.3 Sale of completed properties

Revenue from the sale of completed properties is recognised at a point in time when control of the property is transferred to the customer and it is probable that the Group will collect the consideration to which it is entitled.

3.13.2 Revenue from other sources

3.13.2.1 Interest income

Interest income is recognised in the profit or loss on time proportion basis taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

3.13.2.2 Rental income

Rental income is accounted for on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Contract balances

3.14.1 Contract assets

A contract asset is the right to consideration in exchange for goods and service transferred to the customer. If the Group transfers goods and services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

3.14.2 Trade receivable

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in Note 3.8 under Financial instruments: initial recognition and subsequent measurement.

3.14.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs its obligations under the contract.

3.15 Employee benefits

3.15.1 Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group. Short-term accumulating compensated absences such as paid annual leave is recognised when services are rendered by the employees that increase their entitlement to future compensated absences and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3.15.2 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into independent entities of funds and will have no legal or constructive obligation to pay further contribution if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, the Group makes such contributions to the Employees Provident Fund ("EPF").

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.16 Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.17 Tax expense

Tax expense comprises current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

3.17.1 Current tax

Current tax expense is the expected amount of income taxes payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted by the reporting date. Current tax for current and prior periods is recognised in financial position as liability (or asset) to the extent that it is unpaid (or refundable). Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

3.17.2 Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Tax expense (cont'd)

3.17.3 Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:-

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Majority of the operations of the Group and the Company are engaged as property development and construction and all are in Malaysia. Hence, the Group is not required to present its segment reporting under MFRS 8.

3.19 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the net profit attributable to common controlling shareholders by the weighted average number of shares in issue.

Diluted EPS is calculated by dividing the net profit for the year attributable to common controlling shareholders by the weighted average number of ordinary shares in issue, adjusted for the dilutive effects of all potential ordinary shares to be issued. Diluted EPS is not applicable as the Group does not have potential dilutive equity instruments that would give a diluted effect to the basic EPS.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Related parties

A related party is a person or entity that is related to the entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged.

(a) A person or a close member of that person's family is related to the Group and the Company if that person:-

- (i) has control or joint control over the Group and the Company;
- (ii) has significant influence over the Group and the Company; or
- (iii) is a member of the key management personnel of the Group and the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:-

- (i) The entity and the Group and the Company are members of the same group.
- (ii) One entity is an associate or joint venture of the other entity.
- (iii) Both entities are joint ventures of the same third party.
- (iv) An entity is a joint venture of a third entity and the other entity is an associate of the same third entity.
- (v) The entity is a post-employment benefit plan for the benefits of employees of either the Group and the Company or an entity related to the Group and the Company.
- (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
- (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity.
- (viii) The entity, or any member of a group of which it is a part, that provides key management personnel services to the Group and the Company or to the parents of the Group and the Company.

Registration No: 201901025625 (1334954-V)

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and building RM	Air conditioner RM	Furniture and fittings RM	Motor vehicles RM	Office equipment RM	Renovation RM	Signboard RM	Site equipment RM	Office premises RM	Total RM
Group										
Cost										
At 1.11.2019	-	-	-	-	-	-	-	-	-	-
Effect of acquisition of subsidiaries	465,000	17,230	47,425	1,338,596	180,719	186,997	6,500	8,800	44,710	2,295,977
Additions	-	-	1,693	191,470	-	-	-	-	-	193,163
Write-off	-	-	-	(191,712)	-	-	-	-	-	(191,712)
At 31.10.2020	465,000	17,230	49,118	1,338,354	180,719	186,997	6,500	8,800	44,710	2,297,428
Accumulated depreciation										
At 1.11.2019	-	-	-	-	-	-	-	-	-	-
Effect of acquisition of subsidiaries	104,625	10,357	25,910	979,509	75,750	95,490	6,500	8,800	4,592	1,311,533
Charge for the financial year	9,300	1,966	4,755	114,412	15,771	18,699	-	-	13,783	178,686
Write-off	-	-	-	(102,246)	-	-	-	-	-	(102,246)
At 31.10.2020	113,925	12,323	30,665	991,675	91,521	114,189	6,500	8,800	18,375	1,387,973
Net carrying amount										
At 31.10.2020	351,075	4,907	18,453	346,679	89,198	72,808	-	-	26,335	909,455

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

(a) The freehold land and building are pledged as securities for banking facilities granted to the Group as disclosed in Note 14 to the Financial Statements.

(b) The freehold land of the Group is not separable from its freehold bulding and hence, depreciation was charged on the aggregate amount of freehold land and building.

(c) The net carrying amount of property, plant and equipment which are right-of-use assets are as follows:-

	Group 31.10.2020 RM
Motor vehicles	346,679
Office premises	26,335
Total right-of-use assets	373,014

5. INVESTMENT PROPERTIES

	Freehold land RM	Freehold land and buildings RM	Total RM
Group			
Cost			
At 1.11.2019	-	-	-
Effect of acquisition of subsidiaries	568,541	1,490,000	2,058,541
At 31.10.2020	568,541	1,490,000	2,058,541
Accumulated depreciation			
At 1.11.2019	-	-	-
Effect of acquisition of subsidiaries	-	82,750	82,750
Charge for the financial year	-	29,800	29,800
At 31.10.2020	-	112,550	112,550
Net carrying amount			
At 31.10.2020	568,541	1,377,450	1,945,991

Freehold land and building amounting to RM1,452,858 has been pledged as securities for banking facilities granted to the Group, as disclosed in Note 14 to the Financial Statements.

Certain freehold land of the Group are not separable from their freehold bulding and hence, depreciation was charged on the aggregate amount of freehold land and building.

5. INVESTMENT PROPERTIES (CONT'D)

	Group
	31.10.2020
	RM
Fair value of investment properties	3,728,338

The fair value of the investment property of the Group was estimated by the Directors, and is categorised as a Level 3 hierarchy. The fair value was estimated once a year based on the recent transacted prices in the market of properties with similar condition and location.

	Group
	1.11.2019 to 31.10.2020
	RM
Income and expenses recognised in profit or loss:-	
Rental income	33,500
Direct operating expenses	617

6. INVENTORY PROPERTIES

Non-current asset

(i) **Land held for property development**

	Freehold land
	RM
Group	
Cost	
At 1.11.2019	-
Effect of acquisition of subsidiaries	3,974,068
At 31.10.2020	3,974,068

The land held for property development has been pledged as a security for banking facilities granted to the Group, as disclosed in Note 14 to the Financial Statements.

6. INVENTORY PROPERTIES (CONT'D)

Current assets

(i) **Property development costs**

	Group RM
Cumulative property development costs	
At 1.11.2019	-
Effect of acquisition of subsidiaries	8,121,105
Cost incurred for the financial year	11,701,268
At 31.10.2020	19,822,373
Cumulative cost recognised in profit or loss	
At 1.11.2019	(135,711)
Recognised as cost of sales for the financial year	(5,755,143)
At 31.10.2020	(5,890,854)

(ii) **Completed properties**

	Group RM
At 1.11.2019	-
Effect of acquisition of subsidiaries	218,995
Sale of completed properties for the financial year	(218,995)
At 31.10.2020	-
Net carrying amount	
At 31.10.2020	13,931,519

7. INVESTMENT IN SUBSIDIARIES

(a) **Investment in subsidiaries**

	Company 31.10.2020 RM	Company 31.10.2019 RM
Unquoted shares, at cost	18,304,000	-

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Investment in subsidiaries (cont'd)

The details of subsidiaries are as follows:-

Name of companies	Place of incorporation	Effective equity interest 31.10.2020 %	Principal activities
Direct subsidiaries			
Sastama Sdn. Bhd. ("Sastama")	Malaysia	100	Property development and construction of buildings.
KB Goh Develoment Sdn. Bhd. ("KB GD")	Malaysia	100	Property development.
Pembinaan Golden Home Sdn. Bhd. ("Pembinaan GH")	Malaysia	100	Property development.
Brilliant Hills Development Sdn. Bhd. ("Brilliant HD")	Malaysia	100	Property development.

Acquisition of subsidiaries

31.10.2020

On 14 October 2020, the Company acquired:-

(i) entire equity interest of Sastama comprising 5,861,050 ordinary shares of RM1 each for a total purchase consideration of RM15,024,555 which were entirely satsified by the issuance of 100,163,700 new shares of RM0.15 each in the Company;

(ii) entire equity interest of KB GD comprising 1,455,344 ordinary shares of RM1 each for a total purchase consideration of RM1,258,618 which were entirely satsified by the issuance of 8,390,787 new shares of RM0.15 each in the Company;

(iii) entire equity interest of Pembinaan GH comprising 876,804 ordinary shares of RM1 each for a total purchase consideration of RM907,945 which were entirely satsified by the issuance of 6,052,967 new shares of RM0.15 each in the Company;

(iv) entire equity interest of Brilliant HD comprising 1,159,208 ordinary shares of RM1 each for a total purchase consideration of RM1,112,882 which were entirely satsified by the issuance of 7,419,213 new shares of RM0.15 each in the Company;

The consolidated financial statements have been prepared using the merger method to account for the acquisition of Sastama, KB GD, Pembinaan GH and Brilliant HD. Merger deficit is determined as the difference between the cost of merger and nominal value of the share capital of the subsidiaries acquired and recognised in statements of financial position.

The recognised merger deficit at the acquisition date is derived as follows:-

	Group 31.10.2020 RM
Total consideration paid by issuance of shares of the Company	18,304,000
Less: Nominal value of the subsidiaries' share capital	(9,352,406)
Merger deficit	8,951,594

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Investment in subsidiaries (cont'd)

Acquisition of subsidiaries (cont'd)

Impact of the acquisition on the consolidated statements of profit or loss and other comprehensive income

In the financial year when the merger took place, the subsidiaries' profits are included in the Group's profits for the full financial year, irregardless of the effective date of merger.

(b) Amount due to a subsidiary

The amount due to a subsidiary is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

8. DEFERRED TAX ASSETS

	Group 31.10.2020 RM
Brought forward	-
Effect of acquisition of subsidiaries	(12,000)
Recognised in profit or loss (Note 20)	322,405
Carried forward	310,405

Deferred tax assets are made up of tax effects on temporary differences arising from:-

	Group 31.10.2020 RM
Tax effect on timing differences from construction contracts	323,405
Property, plant and equipment	(13,000)
	310,405

9. TRADE RECEIVABLES

(i) Trade receivables are unsecured, non-interest bearing and the normal trade credit terms granted to customers by the Group ranged from 0 to 120 days. They are recognised at their original invoiced amount which represent their fair values on initial recognition.

(ii) Information on credit risk of trade receivables is disclosed in Note 27 to the Financial Statements.

10. OTHER RECEIVABLES

	Group	Company	
	31.10.2020	31.10.2020	31.10.2019
	RM	RM	RM
Non-trade receivables	485,900	-	-
Deposits	955,117	-	-
Prepayments of IPO expenses	552,583	-	-
Prepayments	121,637	-	-
	2,115,237	-	-

11. CONTRACT ASSETS/(LIABILITIES)

	Group
	31.10.2020
	RM
Construction contracts	
Contract cost incurred to date	4,657,868
Attributable profits recognised to date	3,101,184
Progress billings issued to date	(7,153,228)
	605,824
Property development	
Brought forward	-
Revenue recognised for units sold	7,454,268
Progress billings for units sold	(7,776,422)
Carried forward	(322,154)
Total contract balances	283,670
Presented as:-	
Contract assets	1,388,799
Contract liabilities	(1,105,129)
	283,670

As at the reporting date, the obligations and revenue to be recognised under contract liabilities are expected to be fulfilled/recognised within 1 year.

12. SHARE CAPITAL AND OTHER RESERVE

(a) Share capital

	Group and Company	
	Number of ordinary shares	Amount
		RM
Issued and fully paid-up with no par value:-		
At date of incorporation/At 1.11.2019	100	100
Acquisition of subsidiaries	122,026,667	18,304,000
At 31.10.2020	122,026,767	18,304,100

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

(b) Merger deficit

The merger deficit arises as and when a combination takes place, it comprises the difference between the cost of merger and the nominal value of shares acquired in subsidiaries as noted in Note 7(a) to the Financial Statements.

13. LEASE LIABILITIES

	Group
	31.10.2020
	RM
Minimum lease payments	
- Within 1 year	114,060
- Between 2 to 5 years	112,335
	226,395
Less: Future finance charges on lease liabilities	(15,431)
Present value of lease liabilities	210,964
Present value of lease liabilities	
- Within 1 year	105,237
- Between 2 to 5 years	105,727
	210,964

Interest charged on lease liabilities of the Group ranged from 4.50% to 4.73% per annum.

14. BORROWINGS

	Group 31.10.2020 RM
Non-current	
Secured:-	
Term loans	2,519,506
Current	
Secured:-	
Term loans	158,080

The borrowings of the Group are secured by means of the following:-

(a) First party charge over the freehold land and buildings of the Group, as disclosed in Notes 4 and 5 to the Financial Statements;
(b) First party charge over the freehold land of the Group, as disclosed in Note 6 to the Financial Statements; and
(c) Joint and several guarantee by the Directors of the Group.

The effective interest rate of the term loans ranged from 4.52% to 7.72% per annum and is repayable by 120 to 240 monthly instalments.

15. TRADE PAYABLES

The trade payables of the Group are unsecured, non-interest bearing and the normal credit term granted by the suppliers ranged from 30 to 60 days.

16. OTHER PAYABLES

	Group	Company	
	31.10.2020	31.10.2020	31.10.2019
	RM	RM	RM
Non-trade payables	519,629	1,022	8,918
Accrual of expenses	923,441	11,000	3,000
Deposits received	5,000	-	-
	1,448,070	12,022	11,918

17. AMOUNT DUE TO A DIRECTOR

The amount due to a Director is non-trade in nature, unsecured, non-interest bearing and repayable on demand.

18. REVENUE

(i) Disaggregated revenue information

	Group 1.11.2019 to 31.10.2020 RM
Types of goods or services	
Property development	7,454,268
Construction contracts	4,017,394
Sale of completed properties	345,000
	11,816,662
Geographical market	
Malaysia	11,816,662
Timing of recognition	
Recognised based on percentage of completion	11,471,662
Recognised at a point in time	345,000
	11,816,662

(ii) Unsatisfied performance obligations

The unsatisfied performance obligations in relation to sold units is disclosed in Note 11 to the Financial Statements.

19. PROFIT/(LOSS) BEFORE TAX

Profit/(Loss) before tax has been determined after charging/(crediting) amongst other items, the following:-

	Group 1.11.2019 to 31.10.2020 RM
Depreciation of property, plant and equipment	178,686
Depreciation of investment properties	29,800
Interest expenses:-	
- Term loans	165,862
- Bank overdrafts	12,158
- Lease liabilities	8,751
Write-off of property, plant and equipment	89,466
Insurance claim	(150,000)
Interest income	(4,556)
Rental income	(33,500)

20. TAX EXPENSE

	Group	Company	
	1.11.2019 to 31.10.2020	1.11.2019 to 31.10.2020	19.7.2019 to 31.10.2019
	RM	RM	RM
Current tax			
- Provision for current financial year/period	655,845	-	-
- Underprovision for previous financial period	22,108	-	-
Deferred tax (Note 8)			
- Provision for current financial year/period	(317,405)	-	-
- Overprovision for previous financial period	(5,000)	-	-
	355,548	-	-

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

	Group	Company	
	1.11.2019 to 31.10.2020	1.11.2019 to 31.10.2020	19.7.2019 to 31.10.2019
	RM	RM	RM
Profit/(Loss) before tax	1,554,055	(9,060)	(11,918)
Tax at Malaysian statutory tax rate of 24% (31.10.2019: 24%)	372,973	(2,174)	(2,860)
Tax effects in respect of:-			
Change in tax rate for the first tranche of chargeable income	(81,499)	-	-
Expenses not deductible for tax purposes	114,650	2,174	2,860
Non-taxable income	(78,147)	-	-
Overprovision of deferred tax for previous financial period	(5,000)	-	-
Underprovision of current tax for previous financial period	22,108	-	-
Movement in deferred tax assets not recognised	10,463	-	-
	355,548	-	-

Deferred tax asset of a subsidiary that has not been recognised due to uncertainty of its recoverability are as follows:-

	Group	Company	
	31.10.2020	31.10.2020	31.10.2019
	RM	RM	RM
Unabsorbed business losses	43,595	-	-

The potential deferred tax assets of a subsidiary are not recognised in the financial statements as it is anticipated that the tax effect of such benefits will not reversed in the foreseeable future.

21. EMPLOYEE BENEFIT EXPENSES

	Group 1.11.2019 to 31.10.2020
	RM
Salaries, wages and other emoluments	794,943
Defined contribution plans	68,568
Other benefits	33,365
	896,876

Included in the employee benefit expenses is the Directors' and key management personnels' remuneration as follows:-

	Group 1.11.2019 to 31.10.2020
	RM
Directors' remuneration	
Salaries, wages and other emoluments	228,000
Defined contribution plans	18,031
	246,031
Key management personnels' remuneration	
Salaries, wages and other emoluments	240,009
Defined contribution plans	18,434
	258,443

22. RELATED PARTY DISCLOSURES

(a) There is no related party transaction during the financial year/period.

(b) The outstanding balances as at the reporting date are disclosed in Notes 7(b) and 17 to the Financial Statements.

(c) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly provides key management personnel to the Group and to the Company.

The remuneration of key management personnel is disclosed in Note 21 to the Financial Statements.

23. DIVIDENDS

During the financial year, the following dividends have been paid by the Group to the owners of the Group:-

	Group 1.11.2019 to 31.10.2020 RM
In respect of the financial period ended 31 October 2019:-	
A single tier interim tax exempt dividend of RM6,500,000 declared by Sastama in respect of the financial period ended 31 October 2019 declared on 10 December 2018 and paid in the following tranches:-	
- Sixth tranche paid on 8 October 2020	3,188,319

24. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per ordinary share was based on the profit for the financial year attributable to ordinary equity holders of the Group and a weighted average number of ordinary shares issued calculated as follows:-

	Group 1.11.2019 to 31.10.2020 RM
Profit attributable to owners of the Group (RM)	1,198,507
Weighted average number of shares	
Brought forward	100
Effect of ordinary shares issued during the financial year	5,683,434
Carried forward	5,683,534
Basic earnings per share (sen)	21.09

Diluted earnings per share

Diluted earnings per ordinary share is not computed as there were no potentially dilutive equity instruments in issue.

25. OPERATING SEGMENTS

The entities are principally involved in property development and construction works.

No product and services segment information and geographical information are presented as the Chief Operating Decision Maker ("CODM") views the Group as a single reportable segment and all are operated in Malaysia.

The following are major customers with revenue equal or more than 10% of the Group's total revenue:-

		Group 1.11.2019 to 31.10.2020 RM
	Segment	
- Customer A	General construction works	4,017,394

26. CONTINGENT LIABILITY

	Group 31.10.2020 RM	Company 31.10.2020 RM	 31.10.2019 RM
Corporate guarantee issued to a financial institution for banking facilities granted to the Directors	2,648,070	-	-

The corporate guarantee was subsequently discharged on 7 December 2020.

27. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

(a) Financial assets measured at amortised cost ("FA"); and
(b) Other financial liabilities measured at amortised cost ("OFL").

	Carrying amount RM	FA RM	OFL RM
Group			
31.10.2020			
Financial assets			
Trade receivables	2,896,911	2,896,911	-
Other receivables	1,441,017	1,441,017	-
Cash and bank balances	723,685	723,685	-
	5,061,613	5,061,613	-
Financial liabilities			
Trade payables	4,454,348	-	4,454,348
Other payables	1,448,070	-	1,448,070
Amount due to a Director	571,592	-	571,592
Borrowings	2,677,586	-	2,677,586
	9,151,596	-	9,151,596
Company			
31.10.2020			
Financial asset			
Cash and bank balances	100	100	-
Financial liabilities			
Other payables	12,022	-	12,022
Amount due to a subsidiary	8,956	-	8,956
	20,978	-	20,978

27. **FINANCIAL INSTRUMENTS (CONT'D)**

Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

(a) Financial assets measured at amortised cost ("FA"); and
(b) Other financial liabilities measured at amortised cost ("OFL").

	Carrying amount RM	FA RM	OFL RM
Company (cont'd)			
31.10.2019			
Financial asset			
Cash and bank balances	100	100	-
Financial liability			
Other payables	11,918	-	11,918

Financial risks

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing its risks. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) **Credit risk**

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Receivables are monitored on an ongoing basis to mitigate risk of bad debts. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Credit limits are established for each customer and reviewed quarterly. Any credit exceeding those limits require approval from the management.

27. **FINANCIAL INSTRUMENTS (CONT'D)**

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Receivables (cont'd)

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The Group does not hold collateral as security.

The Group has not recognised any loss allowance as they are creditworthy customers with good payment records with the Group. The risk of default is expected to be zero as all customers have high quality external credit ratings with no history of default.

The following table provides information about the credit risk exposure on the Group's trade receivables and contract assets using a provision of matrix:-

		←	Trade receivables	→		
				Days past due		
	Contract assets	Current	1 to 30 days	31 to 60 days	More than 60 days	Total
	RM	RM	RM	RM	RM	RM
Group						
31.10.2020						
Gross carrying amount	1,388,799	2,290,908	5,000	26,000	575,003	2,896,911

Concentration of credit risk

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

In respect of trade receivables, 73% of the Group's trade receivables were due from 2 major customers.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(a) **Credit risk (cont'd)**

Receivables (cont'd)

<u>Concentration of credit risk (cont'd)</u>

In respect of other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or a group of counterparties having similar characteristics.

The net carrying amount of receivables is considered a reasonable approximate of its fair value. The maximum exposure to credit risk is the carrying value of each class of receivables as disclosed in Notes 9, 10 and 11 to the Financial Statements.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group does not offer credit terms without the approval of the head of credit control.

With a credit policy in place to ensure the credit risk is monitored on an ongoing basis, the management has taken reasonable steps to ensure that receivables are stated at their realisable values. A significant portion of the receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than credit terms granted are deemed to have higher credit risk, and are monitored individually.

Cash and bank balances

The credit risk for cash and cash equivalents is considered negligible, since the counterparty is reputable bank with high quality external credit ratings.

Financial guarantee

The Group provides unsecured financial guarantee to a licensed bank in respect of banking facilities granted to the Directors. The maximum exposure to credit risk is as disclosed in Note 26 to the Financial Statements. The Group monitors on an ongoing basis the repayments made by the Directors. As at the end of the reporting period, there was no indication that Directors would default on repayment.

(b) **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due, due to shortage of funds.

In managing its exposures to liquidity risk arises principally from its trade and other payables, amount due to a Director, borrowings and lease liabilities. The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(b) **Liquidity risk (cont'd)**

The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

The summary of the maturity profile based on contractual undiscounted repayment obligations are as follows:-

	Carrying amount	Total contractual cash flows	Within 1 year	2 to 5 years	More than 5 years
	RM	RM	RM	RM	RM
Group					
Financial liabilities					
31.10.2020					
Trade payables	4,454,348	4,454,348	4,454,348	-	-
Other payables	1,448,070	1,448,070	1,448,070	-	-
Amount due to a Director	571,592	571,592	571,592	-	-
Borrowings	2,677,586	3,918,270	328,800	1,278,540	2,310,930
Lease liabilities	210,964	226,395	114,060	112,335	-
	9,362,560	10,618,675	6,916,870	1,390,875	2,310,930
Financial guarantee	2,648,070	2,648,070	2,648,070	-	-
Company					
Financial liability					
31.10.2020					
Other payables	12,022	12,022	12,022	-	-
Amount due to a subsidiary	8,956	8,956	8,956	-	-
	20,978	20,978	20,978	-	-
31.10.2019					
Other payables	11,918	11,918	11,918	-	-

(c) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's fixed rate instrument is exposed to a risk of change in its fair value due to changes in interest rates. The Group's variable rate instruments are exposed to a risk of charge in cash flows due to changes in interest rates.

27. FINANCIAL INSTRUMENTS (CONT'D)

Financial risks (cont'd)

The main areas of financial risks faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows (cont'd):-

(c) **Interest rate risk (cont'd)**

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the reporting date are as follows:-

	Group
	31.10.2020
	RM
Fixed rate instrument	
Financial liability	
Lease liabilities	210,964
Floating rate instrument	
Financial liabilities	
Term loans	2,677,586

The following illustrates the sensitivity of profit/loss to a reasonably possible change in interest rates of +/-25 basis points ("bp"). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Effect on profit for the financial year Group	
	RM	RM
31.10.2020 (+/- 25bp)	(6,694)	(6,694)

28. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities of the Group and of the Company at the reporting date approximate their fair values due to their short-term nature and insignificant impact of discounting.

29. FAIR VALUE HIERARCHY

As at the reporting date, the Group and the Company have no financial instruments that are measured subsequent to initial recognition at fair value and hence fair value hierarchy is not presented.

30. COMPARATIVE INFORMATION

The comparative information of the Company is for the financial period from 19 July 2019 to 31 October 2019 while the current financial year is from 1 November 2019 to 31 October 2020. Consequently, the comparative figures in the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows and related notes are not comparable.

There is no comparative information of the Group as this is the first set of consolidated financial statements presented.

31. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manage its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's and the Company's approach to capital management during the financial year/period.

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD

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

32. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE REPORTING PERIOD (CONT'D)

The Group and the Company have assessed that they have not been significantly affected by the COVID-19 pandemic for the financial year ended 31 October 2020. As at the date of authorisation of the financial statements, the scale and duration of the economic uncertainties arising from the COVID-19 pandemic, could not be reasonably estimated. The Group and the Company are closely monitoring the evolving situation of the COVID-19 pandemic and their related financial effects, if any, on the financial statements of the Group and of the Company will be reflected in the annual financial statements for the financial year ending 31 October 2021.

The Malaysian Government has again imposed the Movement Control Order (“MCO”) and Conditional Movement Control (”CMCO”) for selected states which are severely affected by the COVID-19 on 11 January 2021. Besides, Malaysia's King declared state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

The restrictions imposed have not, however, negatively impacted the Group's and the Company's financial performance as their principal activities were allowed to operate throughout the MCO / CMCO, under guidelines set by the National Security Council, Ministry of Health and Ministry of International Trade and Industry respectively.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. The Group and the Company will continue to actively monitor and manage their funds and operations to minimise any impact arising from the COVID-19 pandemic.