global berhad

green energy transportation solution

SUSTAINABLE ENERGY
ACCELERATING BEYOND
THE BORDERS

ANNUAL REPORT 2020

gets global berhad
green energy transportation solution
Registration No. 200201029469 (597132-A)

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SECRETARY

Lim Kui Suang
SSM PC No. 202008001175
MAICSA No. 0783327

Lim King Hua
SSM PC No. 202008001340
MAICSA No. 0798613

AUDITORS

PKF
AF 0911
Chartered Accountants

REGISTERED OFFICE

No. 9, Jalan Bayu Tinggi 2A/KS6,
Taipan 2, Batu Unjur,
41200 Klang,
Selangor Darul Ehsan, Malaysia
Tel: 03 - 3323 1916
Fax: 03 - 3323 3584

AUDIT COMMITTEE

Dato' Rosli bin Sharif
(Chairman/Independent and Non-Executive Director)

Datuk Mat Noor bin Nawi
(Member/Independent and Non-Executive Director)

Dato' Ridza Abdoh bin Haji Salleh
(Member/Independent and Non-Executive Director)

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd. (Company No. 378993-D)
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan, Malaysia
Tel: 03 - 7890 4700
Fax: 03 - 7890 4670

PRINCIPAL BANKERS

AmBank (M) Berhad
Hong Leong Bank Berhad
Malayan Banking Berhad
CIMB Bank Berhad
Bank Islam Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code: 5079
Stock Name: GETS

NOMINATION & REMUNERATION COMMITTEE

Dato' Ridza Abdoh bin Haji Salleh
(Chairman/Independent and Non-Executive Director)

Dato' Rosli bin Sharif
(Member/Independent and Non-Executive Director)

Datuk Mat Noor bin Nawi
(Member/Independent and Non-Executive Director)

CORPORATE
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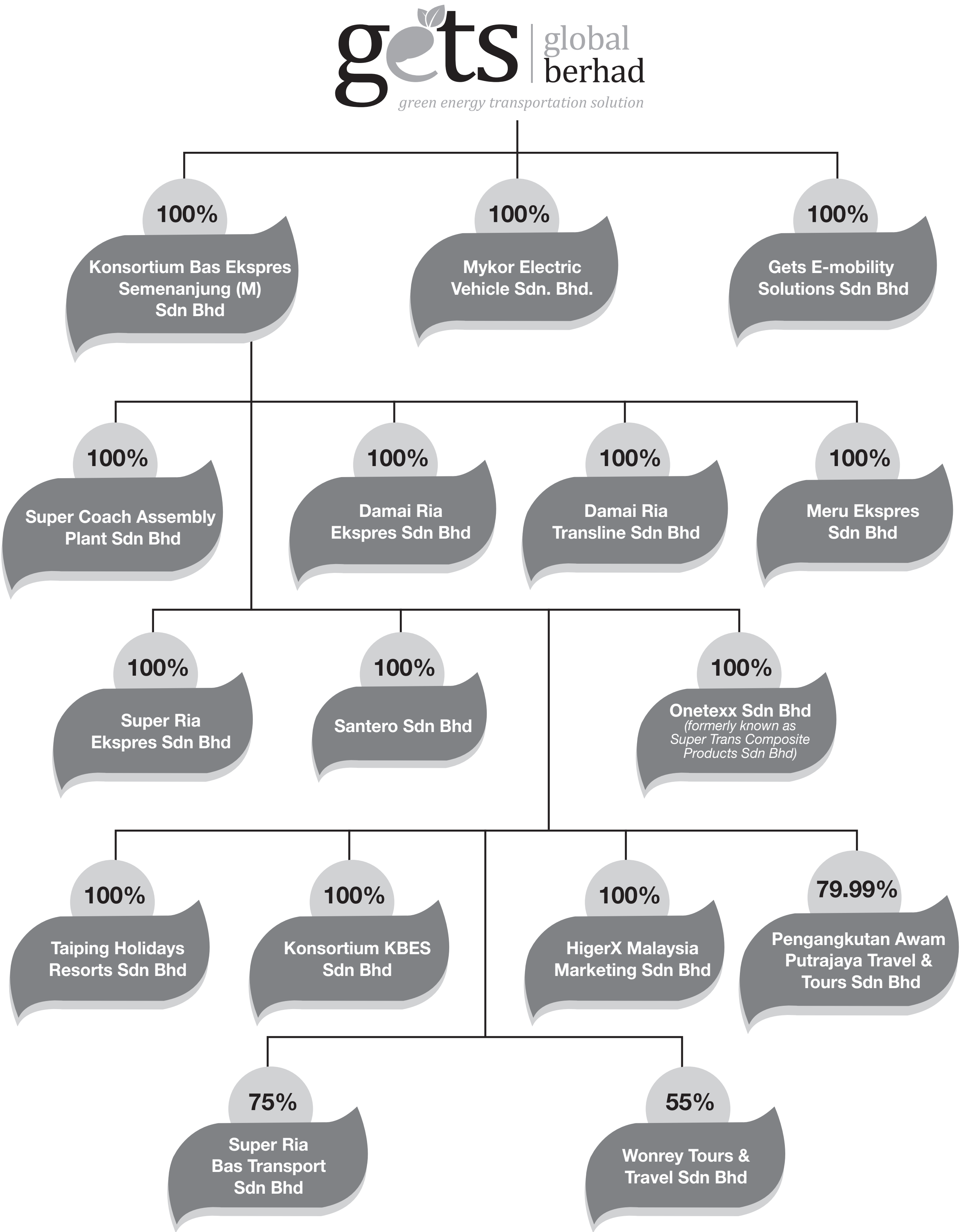

PROFILE OF DIRECTORS

DATUK MAT NOOR BIN NAWI
Chairman / Independent Non-Executive Director

Gender:	Nationality:	Aged:
Male	Malaysian	65

Datuk Mat Noor bin Nawi, aged 65, a Malaysian, male, was appointed as the Chairman / Independent Non-Executive Director of the Company on 16 August 2016. He is a member of the Audit Committee and Nomination & Remuneration Committee of the Company. He has a Bachelor of Science (Resource Economics) from Universiti Putra Malaysia and a Master of Science (Policy Economics) from the University of Illinois, Urbana-Champaign, USA. He had served with the Government of Malaysia for over 34 years where he started his career in the Malaysian civil service in 1981 as an Agriculture Economist at the Federal Agriculture Marketing Authority (FAMA) before joining the Economic Planning Unit (EPU), Prime Minister's Department in 1983. He continued to serve the EPU in various capacities and his last position was the Deputy Director General I EPU prior to joining the Ministry of Finance (MOF) in October 2011. He was the Deputy Secretary General, Treasury (Investment) in MOF and later became the Deputy Secretary General, Treasury (Policy) at the MOF, a position he held since 16 November 2012. He then retired from the Malaysian civil service on 6 June 2015. He was appointed as Chairman of Export-Import Bank of Malaysia Berhad (EXIM Bank) from 1 October 2015 to 30 September 2018. Currently, he is also the Chairman of Carrier International Sdn Bhd and sits on the Board of PDX.com Sdn Bhd, Cuscapi Berhad and Excel Force MSC Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. Datuk Mat Noor is a director in several public companies, public listed companies and private companies. He has no conviction for any offence within the past 5 years.

DATUK CHE AZIZUDDIN BIN CHE ISMAIL
Managing Director

Gender:	Nationality:	Aged:
Male	Malaysian	62

Datuk Che Azizuddin bin Che Ismail, aged 62, a Malaysian, male, was appointed as the Non-Independent Non Executive Director of the Company on 17 September 2015. On 26 February 2016, he was re-designated as Executive Director and Chief Operating Officer of the Company. Subsequently, he was appointed as the Managing Director of GETS Group on 26 May 2016. He holds a Bachelor of Science (Ecology) Degree from University of Malaya and a Diploma in Marketing Studies from the Institute of Marketing Birkshire, United Kingdom. His career in logistics began in 1987 as a management trainee with Shapadu Transystem before joining Tenaga Sabaka Sdn Bhd as General Manager in 1988. He formed KP Asia Auto Logistics Sdn Bhd (KP Asia) in 1991 where he was the Managing Director until 1998. He joined Konsortium Logistik Berhad (KLB), a public listed logistic company, through acquisition of KP Asia by KLB and had held various senior positions in the latter company. He was instrumental in building KLB as one of the reputable Malaysian logistic companies in the industry during his 19 years of service with KLB. During his tenure, KLB became the major force in various industries having served as the main logistic provider for renowned organizations including Proton, Perodua, Naza, Petronas, Tenaga Nasional, Samsung, MRT Corporation and various Government agencies. His last position with KLB was as the Chief Executive Officer before he left KLB in March 2013 to pursue his own business interests. He had also participated actively in contributing towards the development of the Malaysian logistic industry. With his commitment, the industry had entrusted him to lead the Association of Malaysian Hauliers as the President from 2011 to 2015. Presently, he is the Executive Chairman of Arca Corporation Sdn Bhd (ARCA) and the director of several private companies.

He is also a shareholder holding 5.96% equity in the Company. He does not have any family relationship with any director and/or major shareholder of the Company. He is also deemed interested in certain related party transactions with Company and/or its subsidiaries as disclosed in the page 104 of the Annual Report. Datuk Che Azizuddin does not hold any other directorship in public companies and public listed companies. He has no conviction for any offence within the past 5 years.

DATO' ROSLI BIN SHARIF

Independent Non-Executive Director

Gender:	Nationality:	Aged:
Male	Malaysian	66

Dato' Rosli bin Sharif, aged 66, a Malaysian, male, was appointed as the Independent Non-Executive Director of the Company on 16 August 2016. He is the Chairman of the Audit Committee and a member of Nomination & Remuneration Committee of the Company. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a Member of the Malaysian Institute of Accountants (MIA). Dato' Rosli had served with the Government of Malaysia in various capacities at the Treasury Department of the Accountant General's Office, as Accountant at the Department of Civil Aviation and as the State Treasurer of Negeri Sembilan from 1980 to 1982. Since 1982, he had served as a Director in private limited companies involved in construction and property development. He joined Cement Industries of Malaysia Berhad (CIMA) in 1988 as the Group Finance Manager and was subsequently promoted to General Manager, then Chief Operating Officer and Managing Director in 2002. Between 1998 and 2005, he led CIMA to grow its business and in particular involved in acquiring and restructuring Negeri Sembilan Cement Industries Sdn Bhd, which resulted in CIMA expanding its production capacity and market share especially to Singapore. He was the Chairman of the Cement and Concrete Association of Malaysia from 1998 to 2000. In 2006, he was appointed as the Senior Director for International Business, West Asia at UEM Group Berhad. From 2009 to 2011, he was the Senior Director, Corporate Services of UEM Group Berhad. He was the Independent Non-Executive Director of Konsortium Logistik Berhad, a public listed company from 2011 to 2013 and the Managing Director of another public company from 2012 to early 2017. On 21 February 2017, he was appointed as the Independent Non-Executive Director of Gunung Capital Berhad, (now changed name to G Capital Berhad) a public listed company.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. Save as disclosed above, Dato' Rosli does not hold any other directorship in public companies and public listed companies. He has no conviction for any offence within the past 5 years.

DATO' RIDZA ABDOH BIN HAJI SALLEH

Independent Non-Executive Director

Gender:	Nationality:	Aged:
Male	Malaysian	65

Dato' Ridza, aged 65, a Malaysian, male, was appointed as the Independent Non-Executive Director of the Company on 2 July 2020. He is a member of the Audit Committee and Nomination & Remuneration Committee of the Company. He was graduated in Civil Engineering from Queen Mary College, University of London. Dato' Ridza had served with the Government of Malaysia in various capacities at Public service with the Public Works Department (JKR) from 1990 to 1994, Deputy Director of JKR (Penang), includes various roles in Public Works Department, Malaysia in 1994 and also held Senior position in government linked corporation as General Manager, Kinta Kellas (currently known as Opus Malaysia which was a wholly-owned subsidiary Renong, and now UEM Group) 1995, Chief Operating Officer, Linkedua Sdn. Bhd,1996, Managing Director, Linkedua Sdn. Bhd, 1997 – 1998, Managing Director, Pengurusan LRT (PLRT) - Manage the Putra Project, 1998 – 2003, Managing Director, Project Usahasama Transit Aliran Ringan Sdn. Bhd. (PUTRA), 2003 – 2005, Chief Executive Officer, Syarikat Prasarana Negara Berhad, 2005 – 2006, Chief Operating Officer (Rail), Rangkaian, Pengangkutan Integrasi Deras Sdn. Bhd. (Rapid KL), 2006 – 2010 and Managing Director, UEM Builders Berhad 2011 – 2018. He is presently Managing Director, Dras Advans Sdn. Bhd.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. He also does not hold any other directorship in public companies and public listed companies. He has no conviction for any offence within the past 5 years.

DOMINIC AW KIAN-WEE
Non-Independent Non-Executive Director

Gender:	Nationality:	Aged:
Male	Malaysian	49

Mr. Aw, aged 49, a Malaysian, male, was appointed as a Non-Independent Non-Executive Director of the Company on 27 August 2020.

He holds a Bachelor of Law (Hons) degree from the University of Hull, North Humberside, England and a Barrister-at-Law (Middle Temple) from the University of Westminster, London, England. He was a partner of Mazlan & Associates (Advocates & Solicitors) from 2003 to 2015 and has over 19 years of experience working as an advocate and solicitor.

He is also a director of Ajinomoto (Malaysia) Berhad and Perusahaan Sadur Timah Malaysia (Perstima) Berhad.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. Save as disclosed above, Mr. Aw does not hold any other directorship in public companies and public listed companies. He has no conviction for any offence within the past 5 years.

KEY MANAGEMENT INFORMATION

AHMAD MUSTAFFA BIN ABDUL MANAF
Chief Executive Officer
Pengangkutan Awam Putrajaya Travel & Tours Sdn Bhd

Gender:	Nationality:	Aged:
Male	Malaysian	68

En. Ahmad Mustaffa bin Abdul Manaf, aged 68, a Malaysian, male, was previously Executive Director between 16 May 2019 to 27 August 2020. He is a professionally qualified accountant with over forty years of experience in finance and accounting positions across a spectrum of industries including banking, plantation, manufacturing and upstream oil and gas. Past career included serving as Finance Director of Chemical Company of Malaysia Berhad and Chief Financial Officer of Affin Bank Berhad. He has held memberships of the Malaysian Institute of Accountants and CPA Australia and graduated with a Bachelor of Economics from the Australian National University.

He does not have any family relationship with any director and/or major shareholder of the Company and has no conflict of interest with the Company. En. Ahmad Mustaffa does not hold any other directorship in public companies and public listed companies. He has no conviction for any offence within the past 5 years.

SHAMSUDDIN BIN CHE JUSOH
Chief Financial Officer

Gender:	Nationality:	Aged:
Male	Malaysian	51

En. Shamsuddin bin Che Jusoh, aged 51, a Malaysian, male, was appointed as Chief Financial Officer on 30 November 2019. He graduated in 1993 with a Degree in Accounting and has completed his professional qualification under Chartered Institute of Management Accountant (CIMA). He is a member of the Malaysian Institute of Accountants (MIA), Chartered Institute of Management Accountant (CIMA) and Chartered Global Management Accountant (CGMA). He has over 27 years working experience beginning with audit firm- Arthur Andersen HRM & Co, followed by bank, government link company and public listed companies involve in diverse industries include services and construction. His experience covering financial reporting, treasury operation, business planning and budgeting, accounting and financial advisory works. Prior to joining Gets Global Berhad, he was General Manager, Business Transformation of Metronic Global Berhad between June 2017 to November 2019.

He does not hold any directorship in other public companies. He has no family relationship with any of the directors and/or major shareholders of the Company and its subsidiaries. He does not have any conflict of interest with the Company and has not been convicted for any offences within the past five (5) years.

MANAGEMENT DISCUSSION
AND ANALYSIS

COMPANY OVERVIEW

GETS is principally engaged in investment holding, whilst its subsidiaries are principally involved in the provision of public transport services consisting of express and stage bus services; the manufacturing, assembly, sale and after-sales service of buses; and research & development of electric buses.

The express bus service operates through its 100% subsidiary, Konsortium Bas Ekspres Semenanjung (M) Sdn Bhd (“KBESM”) and covers an extensive network throughout Peninsular Malaysia. The stage bus service operates under its 79.99% subsidiary, Pengangkutan Awam Putrajaya Travel & Tours Sdn Bhd (“PAPTT”) in Putrajaya under the name Nadiputra and includes the use of 10 units of electric buses which were developed in Japan. GETS’ 100% subsidiary, Super Coach Assembly Plant Sdn Bhd (“SCAP”) possesses vehicle manufacturing licenses from the Ministry of International Trade and Industry of Malaysia and a workshop license from the Road and Transport Department (“RTD”) of Malaysia and is the manufacturing, assembly and fabrication arm of the Group. GETS E-Mobility Solutions Sdn Bhd (“GEMS”), a 100% subsidiary of GETS facilitates the research and development of electric buses in collaboration with KPIT Technologies Ltd. (“KPIT”).

FINANCIAL PERFORMANCE REVIEW

During the financial year ended 30 June 2020, the Group recorded a turnover of RM21.9 million, decreased by 34% compared with RM32.9 million reported for the financial year ended 30 June 2019. Loss after tax for the financial year ended 30 June 2020 and financial year ended 30 June 2019 were RM20.0 million and RM9.7 million respectively. The Group’s unfavourable performance for the period under review was mainly due to the significant drop in revenue from bus operations because of the suspension of operations due to the Covid-19 pandemic Movement Control Order (MCO) and lesser number of buses on the road resulting from the Group’s ageing fleet. The Group however recorded revenue of RM7.9 million from development of electric bus contract work that has partially covered the decrease of revenue from bus operation.

The Group’s performance during the period under review was also impacted by the increase in provisions for impairment of property, plant and equipment, and the write down of trade receivables and inventory totalling to RM13.6 million against RM2.7 million recorded in the financial year ended 30 June 2019.

OPERATIONAL REVIEW

Malaysia’s economy was significantly affected by the Covid-19 pandemic in the second half of the financial year under review. Resultant restrictions in movement were imposed and enforced by the Malaysian Government to curb the spread of the disease through the MCO since mid-March 2020 and interstate and intrastate travel were severely affected as was business activity. As a result, the Group’s primary activities, particularly the provision of public transportation services (both express bus throughout Peninsular Malaysia and Putrajaya stage bus for internal and external routes) were correspondingly negatively impacted.

Express Bus and Stage Bus Service

The Group’s effort to build up its momentum in both its express bus and stage bus services during the first half of the period was severely set back by the Covid-19 pandemic. Restrictions in movement under the MCO severely affected the activities of both KBESM and PAPTT. KBESM temporarily suspended operation of its express buses because of the interstate ban and ban on international travel (Thailand and Singapore). PAPTT’s stage bus service was also severely affected by the “work from home” requirements during MCO.

Bus Manufacturing and Assembly

The Group’s bus manufacturing and assembly operations was also negatively affected. The reduction in demand for travel resulting from the MCO coupled with the difficulties in determining when restrictions on travel will be consistently lifted has dampened demand for new buses and this negatively affected SCAP’s bus manufacturing and assembly operations.

Research & Development of Electric Buses

GEMS continued to collaborate with its international technology partners to locally develop electric buses under the New Energy Development and Industry Organization (NEDO) of Japan. During the period under review, GEMS carried out work contracted for the development of 2 units double decker electric bus prototypes. The contract works which was originally scheduled for completion in September 2020 has been delayed to April 2021 among others due to unexpected disruptions from the Covid-19 pandemic.

STRATEGIES FOR SUSTAINABLE GROWTH

In the near term, the Group will give greater emphasis in the recovery of its existing businesses from the impact of the Covid-19 pandemic. The Group is exploring a restructuring and streamlining of its bus businesses in an effort to increase productivity and efficiency of utilisation of its existing assets to adapt to the challenging new business environment including the potential relocation of its manufacturing activities to a new facility in the Klang Valley set-up with flexibility to enable the manufacturing and assembly of a wide spectrum of commercial vehicle types including buses, electric buses, trucks and special purpose vehicles.

The Group's express bus services segment has been the main revenue contributor since the financial year ended 31 December 2016. Despite this contribution, it has recorded the highest losses amongst the Group's other business segments (i.e. sales of express and used buses and repair and maintenance services, city bus services and electric bus development) mainly due to high operational costs particularly fuel costs, spare part costs, labour costs and repair and maintenance of our Group's fleet of buses. Coupled with a reduced load factor for its bus services and the uncertainty of improvement of revenues therefrom in the near term given the Covid-19 pandemic and the MCO, the Group has had to identify new stream(s) of income to improve its financial performance and expand its earnings base. Consequent to the emergence of a new shareholder, Mr. Teong Lian Aik, on 25 August, 2020, the Group has acted quickly to do so via the Proposed Private Placement and the Proposed Diversification ("Proposals") as announced to Bursa Malaysia Securities Berhad on 8 September, 2020 and 25 September, 2020.

Subject to the approvals of the shareholders of GETS and the relevant authorities, the Proposals will provide our Group with an immediate injection of fresh capital (without having to incur additional borrowings and related interest expenses) which will be used, amongst others, as working capital for our existing bus operations, to reduce gearing and to kick-start the proposed new business of the manufacturing, marketing and sale of gloves.

OPERATIONAL RISK

During the financial year under review, the Group has identified several industry risks which influenced the Group's business operations. The Group operations continue to be highly sensitive towards inflationary related factors which have significantly impacted the Group's bottom line. The revenue growth for both the express bus segment has been curbed due to the Covid-19 pandemic and the MCO as well as the prolonged deferment of bus fare review by the authorities whilst the sustainability of its city bus operation in Putrajaya is also very much dependent on financial support provided by the relevant authorities.

Moving forward, the Group will be subject to business risks inherent in the glove industry, in which the Group has not been involved in the past. These risks include, but are not limited to, competition from the existing players, entry of new players, introduction of new legal and environmental frameworks, changes in certification/ licensing jurisdiction, socio-political instability and changes in credit conditions. In addition, the demand for gloves is influenced by various factors such as growth in healthcare services, increase in global industrial production activities and the incidence of the Covid-19 pandemic and the availability of an effective vaccine and/ or alternative forms of treatment.

OUTLOOK

Despite the impact of the Covid-19 pandemic nationally and globally, the economy is expected to gradually recover during the post pandemic period. The recovery is anticipated to accelerate with the availability of vaccines for the public within the next few years while the stimulus packages by the Government shall progressively improve the economy. The Group anticipate that the pace of recovery of the business activities for its bus services segment, whilst challenging, shall move in tandem with the momentum of the nation economy. In the post pandemic recovery period, the Group shall focus in improving its operational productivity through consolidation of its existing operations. The Group is cautiously optimistic that the Group's bus manufacturing and electric bus project shall be realized and positioned as among the significant contributors to the Group financial performance. The Group is also optimistic that its glove manufacturing activities will contribute positively to its financial performance given the positive outlook of the glove industry.

The Group shall strive to continuously look for new opportunities to diversify its business horizon to create greater value of its stakeholders.

Datuk Che Azizuddin bin Che Ismail
Managing Director

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("the Board") of GETS GLOBAL Berhad ("GETS GLOBAL") recognises the importance of adopting the principles and recommendations of the Malaysian Code on Corporate Governance (2017) ("the Code") for long term sustainable business growth and to protect and enhance shareholders' values. Accordingly, the Board supports the principles laid out in the Code.

The Board recognizes the importance of good corporate governance and strives to adopt the principles and recommendations of corporate governance throughout the Group in the manner prescribed by the Malaysian Code on Corporate Governance ("MCCG") and Bursa Malaysia Securities Berhad ("Bursa Securities")'s Main Market Listing Requirements ("MMLR").

PRINCIPLE A- BOARD LEADERSHIP AND EFFECTIVENESS

I BOARD RESPONSIBILITIES

1.0 Every Company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

1.1 Clear Functions of the Board and Management

The Group is led and controlled by an effective Board. All Board members carry an independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board understands the Board's philosophy, principles, ethics, mission and vision and reflects this understanding on key issues throughout the financial year.

The Board delegates authority and vests accountability for the Group's day to day operations to a Management team led by the Managing Director. The Board, however assumes the following responsibilities in discharging its duty of stewardship of the Group:

- Reviewing and adopting a strategic plan for the Group;
- Overseeing the Group's business conduct to evaluate whether the Group is being properly managed and build sustainable value for the Shareholders;
- Succession planning including appointing, training, fixing the compensation of and where appropriate, replacing Senior Management;
- Identifying principal risks and ensuring implementation of appropriate systems to manage these risks;
- Developing and implementing an investor relations programme and shareholder communications policy for the Group; and
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

To ensure effective discharge of its leadership role, the Board delegates specific powers to the Board Committees, the Managing Director and the Management.

The Audit Committee, Nomination & Remuneration Committee ("Committees" or "Board Committees") operate within defined terms of reference that have been drawn up in accordance with the best practices prescribed by the Code. The Committees function primarily to assist the Board in the execution of its duties and responsibilities in order to enhance business and operational efficiency as well as efficacy. Deliberations and decisions at Committee level are recorded. The Committee Chairman will report to the Board on the outcome of the Committees' meetings and the minutes of meetings are circulated to the Board. The Board reviews the Committees' authority and terms of reference from time to time to ensure its relevance and to enhance its efficacy.

The Board retains full responsibility for the direction and control of the Company and the Group. The ultimate decision on all matters lies with the Board.

1.2 Clear Roles and Responsibilities of the Board

The Board is collectively responsible for oversight and overall management of the Group. The Managing Director is responsible for the day-to-day operational management of the Group. On the other hand, the presence of the Independent Non-Executive Directors, who are not engaged in the daily management of the Group, brings objectivity and independence to any evaluation of strategic, performance or resources related issues. In this manner, the Independent Non-Executive Directors fulfil a crucial corporate accountability role as they provide independent and objective views, opinions and judgement on issues being deliberated.

The Chairman provides leadership for the Board so that the Board can perform its responsibilities. The Managing Director is primarily responsible for the effective implementation of the Group's strategic plan and policies established by the Board, managing the daily conduct of business to ensure its smooth operations, supervision and management of the Group.

It is the practice of the Board to deliberate on significant matters that concerned the overall Group business strategy, acquisition or divestment policy, approval of major capital expenditure, consideration of significant financial matters and review of the financial and operating performance of the Group.

1.3 Formalize ethical standards through a Code of Conduct

The Company has formalized a Code of Conduct for the Group. The objective of the Code of Conduct is to set out the ethical standards to all employees in their dealings with fellow colleagues, customers, shareholders, suppliers, competitors, the wider community and the environment. Every employee must display and behave in a manner which is consistent with the Group's philosophy and core values.

Through the Code of Conduct, the Board sets the tone for proper ethical behaviour expected of the Board members and the employees.

In order to strengthen the corporate governance practices across the Group, a whistle-blowing policy has been established to provide employees with accessible avenues to report suspected fraud, corruption, dishonest practices or other similar matters. The aim of this policy is to promote and encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be protected from reprisal.

The whistle-blowing policy is available for all staff and can be accessed via the Company's website - www.getsglobal.com.my.

1.4 Strategies Promoting Sustainability

The Board is aware of the importance of business sustainability in general and promotes good corporate governance in the application of sustainability practices. The Board shall endeavour to implement sustainability strategies which yield environmental, economic and social benefits.

1.5 Access to Information and Advice

The Board and its Committees have full and unrestricted access to all information necessary in the furtherance of their duties, which is not only quantitative but also other information deemed suitable such as customer satisfaction, product and service quality, market share and market reaction.

The Board is provided with the agenda for every Board meeting together with reports relevant to the issues of the meeting covering areas of financial, operational and regulatory compliance, in advance, for the Board's reference. The Chairman of the Board takes primary responsibility for organising information necessary for the Board to deal with the agenda and for providing this information to directors.

All directors have the right and duty to make further enquiries where they consider necessary. In some instances, members of Senior Management are invited to be in attendance at Board meetings to provide insight and to furnish clarification on issues that may be raised by the Board.

The Board papers are circulated on a timely basis, at least three (3) days in advance of the meeting to enable the members to have sufficient time to review the papers prepared. Board papers are comprehensive and encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made.

Meeting papers on issues or corporate proposals which are deemed confidential and sensitive would only be presented to the Directors during the meeting itself. Minutes of previous Board and Committees' meetings are also circulated to the Board for their information. Verbal explanations and briefings are also provided by the Managing and Executive Directors, Management and external consultants to enhance understanding of matters in relation to the Group's business and operations.

All Directors have access to the advice and service of the Company Secretaries. The Board of Directors, whether as a full board or in their individual capacity, may upon approval of the Board of Directors, seek independent professional advice if required, in furtherance of their duties, at the Group's expense.

1.6 Qualified and Competent Company Secretaries

The Board trusts that the current Company Secretaries are suitably qualified, competent and can support the Board in carrying out its roles and responsibilities. The Constitution specifies that the removal of the Company Secretaries is a matter for the Board as a whole.

The Company Secretary is present at meetings to record deliberations, issues discussed and conclusions in discharging her duties and responsibilities and also advises on issues relating to the relevant rules and regulations that govern the Company.

The Company Secretaries provide a central source of guidance and advice to the Board, on matters of ethics and good corporate governance and assist in determining board agenda, formulating governance, coordinates board assessment process and other board-related matters. The Company Secretaries ensures that all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company.

2.0 There is demarcation of responsibilities between the Board, Board committees and management. There is clarity in the authority of the board, its committees and individual directors.

The Board has a Board Charter which is reviewed periodically and published on the Company's website. The Board Charter clearly identifies:

(a) the respective roles and responsibilities of the Board, Board committee, individual directors and management; and
(b) issues and decisions reserved for the Board.

The Board may appropriately delegate its authority to Board committees or management. It should not abdicate its responsibility and should all times exercise collective oversight of the Board committees and management. They should not delegate matters to a committee or management to an extent that would significantly hinder or reduce the Board's ability to discharge its function.

3.0 The Board is committed to promote good business conduct and maintain a healthy corporate culture that engenders integrity, transparency and fairness. The Board, management, employees and other stakeholders are clear on what is considered acceptable behavior and practice in the Company.

3.1 The Board recognises the importance of formalizing a Code of Conduct, setting out the standard of conduct expected from directors and employees, to engender good corporate behavior.

3.2 The Board encourages employees to report genuine concerns in relation to breach of legal obligation (including negligence, criminal activity, breach of contract and breach of law), miscarriage of justice, danger to health and safety or to the environment and the cover-up of any of these in the workspace. All complaints or grievance can be channelled to the management or any of the Independent Directors.

II BOARD COMPOSITION

4.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspective and insights.

4.1 The Board consists of five (5) members; comprising one (1) Executive Directors (the Managing Director), one (1) Non-Independent Non-Executive Director and three (3) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Securities.

The Executive Director (Managing Director) oversees the management of the business and affairs of the Group. They are responsible for evaluating business opportunities and carrying through approved strategic business proposals, implementing appropriate systems of internal accounting and other controls, adopting suitably competitive human resource practices and compensation policies, and ensuring the Group operates within the approved budgets and business direction.

The Independent Non-Executive Directors are independent of management and are free from any businesses or other relationships that could materially interfere with the exercise of independent judgment. They scrutinize the decisions taken by the Board and provide objectivity to the Management.

The Board is made up of Directors with a wide range of skills, experiences and qualifications and they contribute their expertise and knowledge in areas such as accounting, finance, business management and specific industry knowledge which are relevant to the Group's business.

The Board operates in an open environment in which opinions and information are freely exchanged. Therefore, any concerns need not be focused on a single Director as all members of the Board fulfill this role individually and collectively.

The Board collectively views that its current size complies with the MMLR and is effective. The Board will review, from time to time, the need to revise its size and composition of the Board and determine the impact and the effectiveness of any proposed change of its current size.

4.2 The Board noted the MCCG's recommendation that the tenure of an independent director should not exceed a cumulative term of nine years. Upon completion of the nine years, an independent director may continue to serve on the Board as a non-independent director. In the event the Board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

The Board holds the view that the ability of an Independent Director to exercise independence is not a function of his length of service as an Independent Director. The suitability and ability of an Independent Director to carry out his roles and responsibilities effectively are very much a function of his calibre, qualification, experience and personal qualities.

4.3 The Board recognizes the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the independent directors are capable to exercise independent judgment and act in the best interest of the Group. The independent directors of the Company fulfil the criteria of "Independent" as prescribed under MMLR. They act independently of management and are not involved in any other relationship with the Group that may impair their independent judgment and decision making.

4.4 The appointment of any additional Director is made as and when it is deemed necessary by the existing Board upon recommendation from the Nomination and Remuneration Committee with due consideration given to the mix of expertise and experience required for an effective Board.

The Nomination and Remuneration Committee reviews and assesses the Board composition yearly to ensure that it has balance mixed skills and business experience to contribute to the success of the Group. The assessment is merit based.

4.5 In accordance with the Company's Constitution, all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. At the forthcoming AGM, Datuk Che Azizuddin bin Che Ismail retire pursuant to Clauses 122 and 123 of the Company's Constitution and being eligible, have offered himself for re-election. His profile are set out in the section on Board of Directors' Profile of this Annual Report.

4.6 The Board is supportive of the recommendation of MCCG and recognizes the importance of boardroom diversity to the establishment of workforce gender diversity policy.

4.7 The Board used a variety of approaches and sources to ensure that it can identify the most suitable candidates. This may include sourcing from a directors' registry and open advertisement or the use of independent search firm.

Currently, the appointment of candidates for non-executive director position were sourced from recommendation made by the existing Board members, management or major shareholders.

4.8 During the financial year ended 30 June 2020, nine (9) Board meetings were held. The summary of attendance at the Board meetings held in the financial year ended 30 June 2020 is as follows:

Directors	Meeting Attendance
Datuk Mat Noor bin Nawi	9/9
Datuk Che Azizuddin bin Che Ismail	9/9
Dato' Rosli bin Sharif	9/9
Datuk Mohd Aminudin bin Mustapha (resigned 3 April 2020)	5/8
Dato' Leong Kin Mun (resigned 2 Aug 2019)	1/1
Mirzan bin Mahathir (resigned 27 Aug 2019)	2/2
Muhamad bin Aman (resigned 1 June 2020)	7/8
Ahmad Mustaffa bin Abdul Manaf (resigned 27 August 2020)	9/9
Dato' Ridza Abdoh bin Hj Salleh (appointed on 2 July 2020)	N/A
Dominic Aw Kian-Wee (appointed 27 August 2020)	N/A

Directors' Training and Continuing Education Programme

All Directors, save for Dato' Ridza Abdoh bin Haji Salleh, have attended the Mandatory Accreditation Programme ("MAP") as prescribed by the Listing Requirements.

The newly appointed Director, Dato' Ridza Abdoh bin Hj Salleh shall attend the Mandatory Accreditation Programme ("MAP") within such time period as Bursa may prescribe.

All Directors are being advised of developments or changes to relevant laws and regulatory requirements and suitable training and education programmes are identified for their participation from time to time. Management briefings during Board and Audit Committee meetings on various operational, technical and corporate matters were also aimed at ensuring that Directors are well versed with the knowledge of the Group's business and affairs in enabling them to make meaningful decisions.

The Company facilitates the organisation of training programmes for Directors and maintains a record of the trainings attended by the Directors. On the recommendation of the Nomination and Remuneration Committee, the Directors will endeavour to attend more training programmes organized by Bursa Malaysia in relation to the Listing Requirements.

The following are the various training programs and seminar attended by the Directors during the financial year:-

Directors	Details of training	Date
Datuk Mat Noor Bin Nawi	1. ICDM: Financial Language in the Boardroom 2. ICDM: The Role of Nomination & Remuneration Committee 3. Session on Corporate Governance and Corporate Liability Provision, Securities Commission	15-16 Jul 2019 23 Jul 2019 31 Oct 2019
Datuk Che Azizuddin Bin Che Ismail	1. Risk Oversight And Compliance - Action Plan	15 Oct 2019
Dato' Rosli Bin Sharif	1. New Business Directions 2025 2. Risk Oversight And Compliance - Action Plan 3. Invitation to the Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	19 Sep 2019 15 Oct 2019 8 Nov 2019
Ahmad Mustaffa Bin Abdul Manaf	1. Mandatory Accreditation Programme	23 – 24 July 2019

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual directors.

The Company conducts annual assessment to evaluate the effectiveness of the Board and the Board committee as well as the performance of each individual director through the Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee comprises exclusively Independent Non-Executive Directors and its composition is as follows:

Name of Director	Position
Datuk Mohd Aminudin bin Mustapha (resigned on 3 April 2020)	Chairman
Dato' Ridza Abdoh bin Haji Salleh (appointed on 2 July 2020)	Chairman
Dato' Rosli bin Sharif	Member
Datuk Mat Noor bin Nawi	Member

The NRC meets at least once a year to carry out the activities as enshrined in its terms of reference, or more frequently as the need arises, at the discretion of the Chairman of the NRC.

The NRC has access to any form of independent professional advice, information and the advice and services of the Company Secretaries, if and when required, in carrying out its functions.

The Company Secretaries shall record, prepare and circulate the minutes of the meetings of the NRC and ensure that the minutes are properly kept and produced for inspection if required. The NRC is authorised by the Board to act as follows:

(a) To review nominations of new directors based on selection criteria such as the incumbent's credential and their skills and contributions required by the Company.
(b) To ensure that the Board has an appropriate balance of skills, expertise, attributes and core competencies from its member.
(c) To recommend to the Board the potential directors to fill the seats of the Board Committees.
(d) To assess annually the effectiveness of the Board, its Committees and the contribution of each Director.
(e) To review succession plans for members of the Board.
(f) To recommend training needs to the Directors.

The NRC will evaluate the effectiveness of the Board as a whole, including Board Committees and the contribution of each Director annually and properly documented. The performance evaluation process established shall include clear evaluation criteria and communicated to each individual Director. All reports shall be gathered and assessed by the Nomination and Remuneration Committee for the Board's review and approval. The evaluation will be done at least once a year to gauge the effectiveness of the Board's performance, the adequacy of the blend of skill sets and experience of the Board.

During the financial year, NRC has reviewed the present composition of the Board and was of the view that the Board composition was made up of a balance mixture of skills and professionalism, no additional board member is required for the time being. All Directors have completed the Director's Self-Assessment Form and the Performance Evaluation Sheet (PES) for the assessment of the Board and Board Committees. NRC noted that there were no major issues of concern.

Criteria for assessments:

a) Contribution to Interaction, Quality of Input, Understanding of Role, Board Chairman's Role (for individual director assessment)
b) Board Structure, Board Operations, Board Roles and Responsibilities, Board Chairman's Role and Responsibilities (for Board assessment)
c) Is the committee providing useful recommendations? Do the members have sufficient and relevant expertise in fulfilling their roles? Are committee chairs properly and providing appropriate reporting and recommendations to the Board? (for Board Committee assessment)

The terms of reference of the Nomination & Remuneration Committee can be viewed at the Company's website: www.getsglobal.com.my in line with Paragraph 15.08A(2) of MMLR.

III REMUNERATION

6.0 The level and composition of remuneration of directors and senior management take into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The Board through the Nomination and Remuneration Committee ("NRC"), determines all remuneration matters for the Executive Directors as well as for the Non-Executive Directors.

6.1 The NRC held two (2) meetings during the financial year to carry out its function as stated within the term of reference.

6.2 The NRC's primary responsibility is to review and recommend the remuneration of Directors to the Board. The Board, as a whole, determines the remuneration of the Directors and the individual Director is required to abstain from discussing his own remuneration.

In the case of Executive Directors, the remuneration scheme is structured based on corporate and individual performance. On the other hand, Non-Executive Directors are remunerated based on their experiences and the level of responsibilities undertaken by the respective Non-Executive Directors concerned.

The NRC will make its recommendations to the Board regarding the Company's policy on the staff remuneration by taking into consideration the salary and employment conditions within the industry and benchmarks from comparable companies. The Nomination and Remuneration Committee strives to be competitive, linking staff rewards with their performance and responsibilities.

The NRC aims to directly align the interests of Directors, senior management and key executives with the interests of shareholders, to improve performance and achieve sustainable growth for the Company in the changing business environment, and to foster a greater ownership culture amongst its senior management and key executives.

7.0 Stakeholders are able to assess whether the remuneration of directors and senior management commensurate with their individual performance, taking into consideration the Company's performance.

7.1 The details of the Directors' remuneration comprising remuneration received/receivable from the Company and subsidiary respectively in financial year ended 30 June 2020 categorized into appropriate components are as follows:

	Fees (RM)	Salaries & bonus (RM)	Other emoluments (RM)	Total (RM)
Company				
Executive Directors	–	–	–	–
Non-executive Directors	79,500	–	31,500	111,000
	79,500	–	31,500	111,000
Group				
Executive Directors	–	1,923,600	21,803	1,945,403
Non-executive Directors	109,500	–	31,500	141,000
	109,500	1,923,600	53,303	2,086,403

7.2 The range of remuneration of the senior management received/receivable from the subsidiary respectively in financial year ended 30 June 2020 includes salary and other emoluments are as follows:

Range of remuneration during the period	Number of senior management
RM100,001 – RM200,000	1
RM200,001 – RM300,000	1

The Board is of the opinion that disclosure on named basis is not required due to security and privacy reasons and the disclosures presented above is sufficient to allow shareholders to make an informed decision in respect of their investments

PRINCIPLE B- EFFECTIVE AUDIT AND RISK MANAGEMENT

I AUDIT COMMITTEE

8.0 There is an effective and independent audit committee. The Board is able to objectively review the audit committee's findings and recommendations. The Company's financial statement is a reliable source of information.

8.1 The Audit Committee's ("AC") principal duties include the supervision of the truthfulness and reliability of the Company's financial statements, the effectiveness and adequacy of the Company's internal control as well as risk management system.

The AC comprises exclusively Independent Non-Executive Directors and to ensure the Board is able to review the AC's finding and recommendation independently, the chairman of AC is not the chairman of the Board.

The appointment of the auditors is subject to approval at the general meeting. In making its recommendations to the shareholders on the appointment and re-appointment of auditors, the Board relies on the review and recommendation of the AC.

The Board has established a formal and transparent arrangement with its external auditors to meet their professional requirements. The Audit Committee meets with the external auditors to review the rationale of significant judgement, accounting principles and the operating effectiveness of internal controls and business risk management. The auditors have continued to highlight to the Audit Committee and the Board matters that require the Board's attention.

8.2 The Board is responsible to prepare financial statements which reflect a true and fair view of the state of affairs of the Company and the Group and the financial results of the Company and the Group for each financial year. The financial statements are prepared in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Malaysian Companies Act.

In preparing the financial statements, the Board is required to:

- Adopt suitable accounting policies consistently;
- Make judgments and estimates that are prudent and reasonable;
- Comply with applicable accounting standards;
- Prepare financial statements on a going concern basis unless otherwise stated; and
- Ensure proper keeping of accounting records with reasonable accuracy.

8.3 The Board is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and the Group and to ensure that the financial statements comply with the Companies Act.

The Board is satisfied that in preparing the financial statements of the Company and the Group for the financial year ended 30 June 2020, the Company and the Group have used appropriate accounting policies and applied them consistently and prudently. The Board is of the opinion that the financial statements are prepared in accordance with all relevant approved accounting standards and have been prepared on a going concern basis.

8.4 The Group practices the cooling off period to safeguard the independence of the audit by avoiding potential threat which may arise when a former key audit partner is in a position to exert significant influence over the audit and preparation of the Company's financial statements.

8.5 The AC assesses the suitability, objectivity and independence of the external auditor on an annual basis, the AC establishes policies and procedures that consider among others:

- The competence, audit quality and resource capacity of the external auditor in relation to the audit;
- The nature of the non-audit services rendered and the appropriateness of the level of fees; and
- Obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of the external professional and regulatory requirements.

9.0 Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

9.1 The Group has outsourced its Internal Audit function that shall be able to review its activities and operations independently. Further details of the activities of the Internal Audit Function are set out in the Statement on Risk Management and Internal Control of this Annual Report.

The Board emphasizes on the adequacy of the internal control system and takes effective approaches to supervise the implementation of related control measures, whilst enhancing operation efficiency and effectiveness, and improving corporate governance, risk assessment, risk management and internal control so as to protect the shareholders' investment and the safety of the Company's assets.

10.0 Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The Group has discussion and always updated the major key issue in the meeting to covers all material controls including financial, operational and risk management functions.

These major findings are reported to the Audit Committee every quarter and the corrective actions are taken by key management and executive director. The AC also decides on internal audit function amongst others:

- Key management and executive director to ensure internal control are in place by the Group in preparation of Financial Statement;
- Planning and discussion on the internal control cycle review by management;
- Performance evaluation; and
- Budget.

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

I COMMUNICATION WITH STAKEHOLDERS

11.0 There is continuous communication between the Company and shareholders to facilitate mutual understanding of each other's objectives and expectation. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board believes the dialogue with stakeholders is a necessary and beneficial process as it enables the company to understand stakeholders' concerns and to take these concerns into account when making decisions.

The Company has established an investor relation website to keep our shareholders and investors updated on latest development of the Company. It includes announcements released to Bursa Securities, including quarterly financial results and annual reports.

II CONDUCT OF GENERAL MEETING

12.0 Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decision at general meetings.

The Annual General Meeting ("AGM") remains the principal forum for dialogue with shareholders where they are encouraged to meet the Board to have greater insight into the Groups' operations. The shareholders can participate and raise questions regarding the business operations and financial performance and position of the Company. The Board together with the external auditors and the Company Secretaries will provide feedback and responses to the shareholders' queries.

The Company sends out the Notice of AGM and Annual Report to shareholders at least twenty-eight (28) days before the meeting as required under MMLR in order to facilitate full understanding and evaluation of the issues involved. As for special business items appearing in the Notice of AGM, a full explanation is provided to the shareholders on the effect of the proposed resolution emanating from the special business item.

All resolutions set out in the notice of general meetings will be carried out by poll voting. The Board will make announcement of the detail results showing the number of votes cast for and against each resolution at general meetings. To facilitate greater shareholder participation, the Board will arrange a question and answer session during the AGM in the presence of the Directors.

CORPORATE
SUSTAINABILITY STATEMENT

GETS' strategies are built around business growth and sustainability. The Group's sustainability initiatives are spearheaded by our Board of Directors and implemented by our Executive Committee comprising of our Managing Director and Heads of Departments. Our sustainability policies and practices are based on Economic, Environmental and Social considerations. Our day-to-day dealings with our stakeholders including employees, customers, investors, business partners and suppliers shall be guided by a set of guiding principles which shall translates our commitment of delivering values to drive growth. This is to ensure the Group can sustain its profitability in the long term.

Guiding Principles

- Integrity
- Initiative
- Discipline
- Teamwork
- Commitment
- Quality

SUSTAINABLE INITIATIVES

The dynamic business environment has caused the changed in setting of the industry with changes in market requirements and ever increasing competition. In tandem to changes of the landscape, the Group has developed its sustainability policies based on 4 key elements; Economy, Environment, People and Community.

ECONOMY

Our core business activities are the provision of express bus services, stage bus services and the manufacturing and assembly of buses. Our business is built around our customers; the commuters. Our aim is to increase people's mobility through providing a public transport system which is accessible, convenient, comfortable and safe.

As a leading public transport service provider, GETS operates in a competitive environment and sensitive to any change in the economic, political and social climate. We have to remain agile and flexible in order to adapt to the changes of the situation throughout the time.

- **Customers**

  We continuously monitor and review our performance to improve on customers' travelling. Our operations are constantly examined in order to meet the changing needs and aspirations of customers. We endeavour to continuously improve and upgrade our services in order to offer better travelling experience to our customers. We strive to match our bus productivity against the demand for each route in order to optimize our operational efficiency. During the year in review, we have conducted customer satisfaction survey on our services. We have implemented several initiatives which involved on the restructuring of routes and sales channel in order to improve the customer satisfaction level.

- **Suppliers and Business Partners**

  In order to ensure regular supply of resources particularly spare parts, consumables and fuel to meet with the growth, the Group has streamlined the supplier base and contractors based on their ability, commitment and track records. This shall assist the Group's operation to improve its monitoring and control besides obtaining the best value from the suppliers.

  GETS has created a centralized procurement department to improve coordination on ordering and supply of parts. The Group procurement policies also enforce strict evaluation and selection criteria of its suppliers and contractors to ensure the quality, cost and delivery requirements are fulfilled.

- **Government Authorities and Regulators**

  We actively communicate with the transport authorities, regulators and local Government to ensure our compliance with the regulations on the aspects of licencing, safety and commercial matters. We conduct regular engagements with the authorities and regulators besides providing them with regular operational reports. Our representatives also provide input and feedback for improvements to the authorities during engagement sessions with the authorities.

- **Investors and Stakeholders**

  Our goal is to maximize the values of our investors, shareholders and stakeholders. Their trust and confidence are our key interest and we shall endeavour to manage the Group in a responsible manner with the required corporate governance and internal controls to be upheld. We will also strive to ensure that the sustainable growth of the Group be achieved.

  Shareholders and investors are kept informed of latest development of the Group through corporate announcements via Bursa Malaysia and periodical publications (quarterly & annually results announcements; and annual report) as required by Bursa Malaysia. We present our annual reports for shareholders' approval at Annual General Meetings.

ENVIRONMENT

GETS' sustainability model puts equal importance in conserving clean and safe environment to its stakeholders. The Group also promotes its workplace which is free from discrimination and abusive elements.

- **Carbon and Noise Emission**

  Pollution due to gas emissions posed as a major issue for the transport industry. Cities are currently facing the economic and environmental threat from rising traffic congestion and worsening air pollution. With nearly 100 units of buses, the Group gives priority to contribute towards reducing air pollution caused by its motorized vehicles. Several environment related initiatives are in place as follows:

  o Implementing on-time schedule preventive maintenance for the buses
  o New buses with at least Euro III engines in stages to replace ageing fleet on Drivers' training to improve driver's skills on safety driving, fuel management, handling and maintenance

- **Vehicle Maintenance**

  To avoid costly and time-loss circumstances due to breakdowns for a large scale fleet, the workshops are equipped with well-trained technicians and tools to support the repair and maintenance operations. Strict quality control and assurance practices are also in place in order to ensure conformity of the procedures.

  The workshops are also fitted with waste disposal facilities and processes for lubricants and chemicals.

- **Electric Bus Development**

  The new direction on green energy has put the Group into a path which gives paramount emphasis on sustaining a clean environment. The electric bus development initiative by GETS which is expected to complete by end of 2020 shall promote a solution for a pollution free environment. The Group is committed to the locally developed electric buses on the Malaysian road and the region beginning 2021. The establishment of the e-Mobility Center in Putrajaya in 2019 has paved the way for the Group to be the leading Research & Development Center in green energy for the region.

PEOPLE

The Group recognizes its human capital as an important and strategic asset to the organization. Thus, it gives significant emphasis in building up its human capital in the form of competitive remuneration & benefits, training & team building, conducive workplace and career growth.

- **Remuneration & Benefits**

  Productivity driven remuneration is provided fairly given across the Group in order to bring the best possible value from the workforce. This is to ensure the employees are committed and motivated to deliver their best.

- **Training and team building**

  Training needs are identified and provided at all levels from the Board of Directors to the drivers to enhance their knowledge and skills. The management also organizes regular group activities with the employees to instil bonding and teamwork with the organization.

- **Conducive Workplace**

  The Group continuously refurbish and repair the offices and the workplace to provide safer and greater comfort to their employees especially the drivers who are exposed to daily harsh working environment on the road. Proper rest areas for drivers with amenities were provided in Putrajaya depot for the drivers.

  GETS is committed to provide a workplace which is free from harassment, violence, intimidation, theft and any type of improper situation for its employees. Besides employing 24-hour security guards, the Group shall install surveillance cameras in strategic locations to deter any disruptive occasions and forces at its premises.

- **Career Growth**

  Equal and fair opportunity for career growth shall be offered by the Group Human Resource to any employee who could contribute towards the growth of the Group. Moving forward, GETS shall also encourage more female employment and participation at the management level.

SOCIAL

As an organization which provides its services to the society, GETS continuously engage with the community to ensure the services meet with the expectations of the people. Our bus services connect people, families and communities. We help thousands of people access to employment, education, health, leisure and retail facilities every day. In Putrajaya we operate a call center to assist the people for any assistance and handle complaints.

AUDIT COMMITTEE REPORT

The Audit Committee was established with the primary objective to assist the Board in discharging its duties by providing an objective review of the effectiveness and efficiency of the internal controls, risk management and governance control of the Group.

During the financial year, the Audit Committee carried out its duties and responsibilities in accordance with its Terms of Reference which is available on the Company's website at www.getsglobal.com.my.

COMPOSITION OF AUDIT COMMITTEE

The present members of the Audit Committee of the Company are as follows:

- Dato' Rosli bin Sharif
  Chairman of the Audit Committee Independent Non-Executive Director

- Datuk Mat Noor bin Nawi
  Independent Non-Executive Director

- Datuk Mohd Aminudin bin Mustapha
  Independent Non-Executive Director (resigned 3 April 2020)

- Dato' Ridza Abdoh bin Hj Salleh
  Independent Non-Executive Director (appointed 2 July 2020)

MEETINGS AND ATTENDANCE

During the financial year ended 30 June 2020, the Audit Committee held six (6) meetings. Minutes of the Committee meetings were circulated to the Board of Directors. The record of attendance of these meetings during the financial year is as follows:

Audit Committee	No of Meetings Members Attended
Dato' Rosli bin Sharif	6/6
Datuk Mat Noor bin Nawi	6/6
Datuk Mohd Aminudin bin Mustapha (resigned 3 April 2020)	4/5
Dato' Ridza Abdoh bin Hj Salleh (appointed 2 July 2020)	N/A

SUMMARY OF WORK OF AUDIT COMMITTEE

The Audit Committee meets on scheduled basis at least once every quarter although such additional meetings may be called at any time at the discretion of the Audit Committee. The quorum for each meeting shall be two (2) members. The Company Secretary is responsible for the co-ordination of administrative details including calling for meetings, voting and keeping of minutes. Minutes of each meeting is signed by the Chairman and distributed to all attendees at the meetings and members of the Audit Committee.

The Audit Committee Chairman briefed the Board on matters discussed at every Audit Committee meeting. The Chairman is also responsible to update the Board about the Audit Committee activities and make appropriate recommendations when necessary. This is to ensure that the Board is aware of matters that may significantly impact the financial condition or affairs of the business.

The Audit Committee has explicit right to convene meetings with both the Internal and External Auditors without the presence of other directors and employees.

The Audit Committee carried out the following activities during the financial year in discharging its duties and responsibilities as stipulated in its Terms of Reference.

Financial Results

1. Reviewed the Group's quarterly results against the preceding year's corresponding quarter and also immediate preceding quarter and its related notes to financial statements before recommending to the Board of Directors for their adoption and approval prior to the release of the Group's results to Bursa Malaysia Securities Berhad.

2. Reviewed the audited financial statements of Gets Global Bhd and its subsidiaries with the Managing Director and External Auditors before recommending to the Board for their approval.

3. In the review of the interim and final audit report, the Audit Committee discussed with the Management and the External Auditors regarding the accounting policies and standards that were applied and their judgement of the items that may affect the financial statements and confirmed that annual audited financial statements have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirement of the Companies Act, 2016 in Malaysia.

4. In reviewing the final audit report, the Audit Committee deliberated with the External Auditors their comments on significant accounting and audit issues and suggestions for improvement.

5. Assessed the Group's financial performance after reviewing every quarterly and audited result.

External Auditors

1. Review the appointment of the External Auditors, their audit fee and any questions of resignation or dismissal and to make recommendations to the Board.

2. Reviewed the External Auditors' audit planning comprising their audit plan, strategy, nature and scope of work for the financial year ended 30 June 2020.

3. Deliberated on the external auditors' report on the observations made in the course of the audit.

4. Reviewed major audit findings and reservations arising from the audits, any matter the External Auditors may wish to discuss.

5. Carried out an assessment to review the performance, suitability and independence of the External Auditors in all provisions of audit and non-audit services.

SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to external consultant to perform audit and to review all operating units within the Group, with emphasis on principal risks areas. The outsourced team for the internal audit function adopted a risk based approach towards planning and conducts of audit. It serves as an integral part of the assurance mechanism in ensuring that the Group's systems of internal controls are adequate and effective. The management assists the Board and Audit Committee in providing independent assessment of the adequacy, efficiency and effectiveness of the Group's internal control systems. They act with due professional care, report directly on the findings and make recommendations to the Audit Committee.

The Internal Audit covers the examination and evaluation of the adequacy and effectiveness of internal control systems and the quality of compliance to the internal control systems which comprises key components of control environment, risk assessment process, operational control activities, information and communication system and monitoring practices. The activities undertaken by the management during the financial year under review included the followings:

- reviewed the effectiveness of administration and operational controls applied and the reliability and integrity of data that was produced within the Group;
- reviewed the extent of compliance with established policies and procedures;
- discussed with the Audit Committee on the internal audit findings and made recommendations for improvement, where weaknesses existed;
- developed and adopt appropriate measures to further strengthen the internal control system;
- followed-up on management corrective actions and kept the Audit Committee abreast of the current status.

Further details of the activities of the internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

This Report was made with a resolution of the Board of Directors at a meeting held on 26 October 2020.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of GETS GLOBAL BERHAD ("the Group") is pleased to provide the following statement, which outlines the key elements of its risk management framework and internal controls of the Group during the financial year ended 30 June 2020.

The Board acknowledges the responsibility for the Group's system of internal control and for reviewing the adequacy and integrity of this system to ensure that it is operating adequately and effectively. However, in view of the limitations inherent in any system, it should be noted that such system of risk management and internal control is designed to manage or to mitigate, rather than to eliminate the risks of failure to achieve the Group's objectives. Therefore, it can only provide reasonable but not absolute assurance against material misstatements, frauds, losses or breaches of laws and regulations.

The Management assists the Board in the formulation of the Board's policies and procedures on risks and controls by identifying and assessing the risks faced and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT

The Board is aware and recognises various types of risks inherent in the businesses of the Group and the possible financial impact. As part of its ongoing process to identify, evaluate, and to manage risks, the Board with the assistance of the Audit Committee will monitor the effectiveness of internal control, including identifying risk areas, where the details of these risk events will be identified and discussed at length in the meetings. The findings and recommendations, if any, will be tabled at the board meetings on a periodic basis, in which the key risks and corresponding risk mitigating actions are identified and their progress are set for discussions and deliberations. With the approval of the Board, appropriate measures will be taken to strengthen the controls in order to improve the risk management of the Group. An appropriate framework is being maintained on an on-going basis to enhance and develop the Group's risk management further.

INTERNAL CONTROLS

The Board recognizes the importance of enhancing its current system of internal control to safeguard shareholders' investments and the Group's assets.

The key elements of the Group's internal control system are as follows:

(1) Audit Committee

The Audit Committee is wholly comprised of Non-Executive Board members and on behalf of the Board, considers the effectiveness of the operations of the internal control procedures in the Group. The members of the Audit Committee have full access to both internal and external auditors. The Internal Audit and Risk Management Department, which is the Internal Audit function for the Group, reports directly to the Audit Committee.

(2) Board Committees

Besides the Audit Committee, the Company also has a Nomination and Remuneration Committee. These Board Committees are established to assist the Board in providing independent oversight of the Group's management with responsibilities and authorities clearly specified in their respective terms of reference.

(3) Internal Audit Function

The Group has outsourced its internal audit function to review the internal control system and asses the effectiveness of the control environment of the Group. Based on the audits, the internal auditors will recommend on areas of improvement and at subsequent audits, they will conduct follow-up review to determine whether improvements have been made. Internal Audit's goal is to focus mainly on risk-based audits related to operations and compliance that are aligned with the risks of the Company and the Group to ensure that the relevant controls addressing those risks are reviewed.

(4) Organization Structure

The Board is in the process of enhancing the organisation structures in view of the changes of key personnel and the on-going development undertake by the Group.

(5) Documented Limits of Authority

A comprehensive structure on the limits of authority has been drawn up in respect of the day to day operations, acquisition and disposal of assets as a control to minimize any risk of abuse of authority. The approved limits of authority were fully adopted effective from February 2016.

ADEQUACY OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has been assured by all the Managing Director that the Group's risk management and internal control system is operating adequately for the financial year under review and up to the date of approval of this Statement.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Bursa Securities Listing Requirements paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement on Risk Management and Internal Control. As set out in their terms of engagement, the procedures were performed in accordance with (Audit and Assurance Practice Guide (AAPG) 3 : Guidance for Auditors on Engagements To Report on the Statement on Risk Management and Internal Control included in the Annual Report) issued by Malaysian Institute of Accountants. AAPG 3 does not require external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their procedures performed, the external auditor has reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is it factually inaccurate.

The Board remains committed towards establishing a robust system of risk management and internal control and is of the opinion that there were no material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report during the year resulting from weaknesses in risk management and internal control. The Management continues to take measures to strengthen the control environment of the Group.

This Statement on Risk Management and Internal Control was issued in accordance with a resolution of the Board of Directors at a meeting held on 26 October 2020.

STATEMENT OF
DIRECTORS' RESPONSIBILITY

The Directors are required to prepare the financial statements of the Group and of the Company, are drawn up in accordance with the provision of the Companies Act, 2016 and requirement of the applicable approved accounting standards in Malaysia and Bursa Securities' Listing Requirements.

The Board is responsible for ensuring that the financial statement give a true and fair view of the state of affairs of the Group and Company at the end of the financial year, and of the results and cash flows for the financial year then ended.

In preparing the financial statements, the Board had ensured the following:-

- Applied the appropriate and relevant accounting policies on a consistent basis

- Made reasonable and prudent judgements and estimates; and

- Applicable approved accounting standards in Malaysia have been followed

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Group and comply within the Companies Act 2016.

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

ADDITIONAL COMPLIANCE INFORMATION

The information set out below was disclosed in compliance with the Listing Requirements:

1. Share Buy-Back

The Company did not make any proposal for share buy-back during the financial year ended 30 June 2020.

2. Options, Warrants or Convertible Securities Exercised

The Company did not issue any financial instrument during the financial year ended 30 June 2020.

3. Depository Receipt ("DR") Programme

The Company did not sponsor any DR programme during the financial year ended 30 June 2020.

4. Imposition of Sanctions and/or Penalties

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended 30 June 2020.

5. Non-Audit Fees

Non-audit fees of RM147,700 paid to the external auditors by the Company for the financial year ended 30 June 2020.

6. Profit Guarantee

During the financial year ended 30 June 2020, Gets Global did not receive any profit guarantee.

7. Material Contracts Involving Directors and Major Shareholders

For the financial year ended 30 June 2020, no contract of a material nature was entered into between the Company or its subsidiaries and its Directors, major shareholders and/or persons connected to them save as disclosed in the Financial Statement.

8. Recurrent Related Party Transactions Statement

Please refer to sustainability statement Recurrent Related Party Transactions Statement which will be disclosed in the forthcoming AGM.

9. Profit Estimate, Forecast or Projection

The Company did not release any profit estimate, forecast or projection during the financial year ended 30 June 2020.

10. Corporate Social Responsibility ("CSR")

The Group is aware of its CSR and has always made CSR an integral part of the way it conducts its businesses.

11. Contracts relating to loans

During the financial year ended 30 June 2020, there were no contracts relating to loans.

12. Utilisation of proceeds

There was no any utilisation of proceeds raised during the financial year.

13. Capital commitment

There is no capital commitment which has been approved and contracted for within the financial year.

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2020.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as disclosed in Note 15 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the Company	18,740,664	65,419,013
Non-controlling interests	1,265,751	–
	20,006,415	65,419,013

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year save as disclosed in Notes 6 and 19 to the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any dividend for the financial year ended 30 June 2020.

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Mat Noor Bin Nawi		
Datuk Che Azizuddin Bin Che Ismail		
Dato' Rosli Bin Sharif		
Datuk Mohd Aminudin Bin Mustapha	-	Resigned on 3 April 2020
Muhamad Bin Aman	-	Resigned on 1 June 2020
Ahmad Mustaffa Bin Abdul Manaf	-	Resigned on 27 August 2020
Dato' Ridza Abdoh Bin Haji Saleh	-	Appointed on 2 July 2020
Dominic Aw Kian-Wee	-	Appointed on 27 August 2020

DIRECTORS (CONT'D)

The names of the directors of the Company's subsidiaries since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Atikah Binti Che Azizuddin		
Nik Shukri Bin Nik Soh		
Datuk Mohd Aminuddin Bin Mustapha		
Huzaini Bin Ramli	-	Appointed on 27 February 2020
Teong Lian Aik	-	Appointed on 8 September 2020

DIRECTORS' INTEREST IN SHARES

The shareholdings in the Ordinary Shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were directors at the end of the financial year, as recorded in Register of Director's Shareholding kept by the Company and the related corporation respectively under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	Number of Ordinary Shares			
	Balance at 1.7.2019	**Bought**	**Sold**	**Balance at 30.6.2020**
In the Company				
Direct interest:				
Datuk Che Azizuddin Bin Che Ismail	7,511,100	–	–	7,511,100
Indirect interest:				
= Datuk Che Azizuddin Bin Che Ismail	30,236,441	–	–	30,236,441

= Held by a company in which the Director has interest.

By virtue of their interests in the shares of the Company, the above-mentioned directors are also deemed to be interested in the shares of all the related corporations of the Company to the extent that the Company has an interest.

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Group and of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in Note 26 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling the directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' REMUNERATION AND FEES

Directors' remuneration of the Group and of the Company amounted to RM1,976,903 and RM31,500 respectively as disclosed in Note 8 to the financial statements.

Directors' fee of the Group and of the Company are amounted to RM109,500 and RM79,500 respectively as disclosed in Note 8 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

ISSUE OF SHARES AND DEBENTURES

There were no changes in the share capital of the Company during the financial year.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares 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 to ascertain that:

(i) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that no known bad debts and that adequate provision had been made for doubtful debts; and

(ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts; or

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

(iii) 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

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

OTHER STATUTORY INFORMATION (CONT'D)

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

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

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2020 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 34 to the financial statements.

SUBSEQUENT EVENTS

Details of subsequent events are disclosed in Note 35 to the financial statements.

AUDITORS

The auditors, Messrs PKF, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company for the financial year ended 30 June 2020 amounted to RM179,700 and RM71,500 respectively.

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

....
DATUK CHE AZIZUDDIN BIN CHE ISMAIL

....
DATUK MAT NOOR BIN NAWI

Kuala Lumpur

30 October 2020

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the accompanying financial statements as set out on pages 45 to 138 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 30 June 2020 and of their financial performance and their cash flows for the financial year ended on that date.

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

DATUK CHE AZIZUDDIN BIN CHE ISMAIL

DATUK MAT NOOR BIN NAWI

Kuala Lumpur

30 October 2020

STATUTORY DECLARATION

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

I, SHAMSUDDIN BIN CHE JUSOH, being the officer primarily responsible for the financial management of GETS GLOBAL BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 45 to 138 are in my opinion 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 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Kuala Lumpur in Wilayah)
Persekutuan on 30 October 2020.)

SHAMSUDDIN BIN CHE JUSOH
(MIA No.: 12434)

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT
AUDITORS' REPORT
TO THE MEMBERS OF GETS GLOBAL BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of GETS GLOBAL BERHAD, which comprise the statements of financial position as at 30 June 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 45 to 138.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 30 June 2020, and of their financial performances and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

(a) As disclosed in Note 1(d)(i) to the financial statement, the Group and the Company incurred net losses of RM20,006,415 and RM65,419,013 respectively during the financial year ended 30 June 2020. As of that date, the Group's and the Company's current liabilities exceeded the current assets by RM46,461,312 and RM13,337,292 respectively and the Company also recorded shareholder deficiency of RM13,337,242 and also significant economic disruption associated with the Covid-19 pandemic indicating that a material uncertainty exists that may cast significant doubt on the Group's and on the Company's ability to continue as a going concern.

(b) As disclosed in Note 1(d)(ii), Note 23 and Note 33 to the financial statements, the Group and the Company had defaulted the principal and interest payments amounting to approximately RM20.1 million on its borrowing from AmBank Islamic Bank Berhad ("AmIslamic"), AmBank Berhad ("AmBank") and Hong Leong Bank Berhad ("HLBB") due to its financial constraints and summary of judgement had been awarded on 23 January 2020, 5 June 2020 and 25 February 2020 respectively.

    The winding up notice were served to the Group by AmIslamic on 13 July 2020 and Ambank on 2 July 2020.

    On 2 March 2020, the Courts had granted the banks with the Order for Sale by public auction on the charged properties secured against the borrowing facilities of the Group. The auction of the said Property was fixed by the court on 24 September 2020.

(c) As disclose in Note 1(d)(iii) the Company and certain subsidiaries have pending material litigations with financial institutions and creditors as detailed in Note 33 to the financial statements and is also in negotiation with the creditors that have issued a notice or petition of winding up for out an amicable settlement.

(CONT'D)

Material Uncertainty Related to Going Concern (cont'd)

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

However, the Group on 8 September 2020, announced its intention to undertake the following:-

i. Proposed private placement of 158,000,000 new ordinary shares in GETS ("Placement Share(s)") at an issue price of RM0.55 per Placement Share to be satisfied entirely via cash ("Proposed Private Placement"); and

ii. Proposed diversification of the existing principal activities of GETS and its subsidiaries to include manufacturing, sales and marketing of gloves and other related activities ("Proposed Diversification").

Pursuant to Subscription Agreement date 8 September 2020, ADA Capital Limited ("ADA Capital"), has advanced approximately RM30 million on 11 September 2020 to the Company upon the execution of the Subscription Agreement. The advance is deposited with the stakeholder. These funds are for the immediate utilisation of the Company includes repayment of outstanding borrowings, repayment of outstanding creditors and for its working capital requirements.

The Company on 7 October 2020 had fully settled its outstanding borrowing with Hong Leong Bank and in the midst of negotiation with AmBank and AmIslamic for full and final settlement amount.

On 10 September 2020, AmIslamic had also filed a Notice of Discontinuance of proceeding against the subsidiary's properties comprising of recovery of claimed sums, interests and costs whereby the Order for Sale was granted by the Court.

Therefore, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of the following:

(i) Restructuring of the defaulted loan with the lenders;
(ii) The completion of private placement of RM86.9 million;
(iii) The ability of the Group and the Company to achieve sustainable and viable operations with adequate cash flows generate from their operating activities; and
(iv) The continuing support from stakeholders.

Should the going concern basis for the preparation of the financial statements be no longer appropriate, adjustments will have to be made to state the assets at their realisable values and to provide for further liabilities which may arise. Our opinion is not modified in respect of these matter.

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 year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(CONT'D)

Key Audit Matters (cont'd)

(i) Recoverability of certain property, plant and equipment and right of use assets
(Refer to Note 12 and Note 13 to the financial statements)

Due to the reported losses of the Group for the current financial year, it has indicated the existence of impairment of certain property, plant and equipment of the Group and right of use assets.

In assessing the impairment of these assets, the Directors have compared their carrying amounts with their recoverable amounts. The asset's recoverable amount is the higher of an asset's fair value less costs to sell ("FVLCTS") and its value-in-use ("VIU"). For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow, described as cash-generating units ("CGU").

The Directors' assessment of the recoverable amounts based on VIU are determined by cash flow projections of the respective CGU. The cash flow projections are based on assumptions using management's estimation and judgement. The FVLCTS's value are determined based on assessment by management's expert.

Our procedures in assessment of FVLCTS provided by management's expert included:

(a) Assessed the objectivity, independence, reputation, experience and expertise of the management's expert;
(b) Review the methodology adopted by the management's expert in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry;
(c) Evaluated the appropriateness of the data used by the management's expert as input into their valuations; and
(d) Evaluate the appropriateness of their conclusions and the consistency with the other audit evidence obtained.

Our procedures in assessment of VIU included:

(a) Assessing the management's methodology used in estimating the VIU and the assessment on the impact of Covid-19;
(b) Critically challenged the key estimates and assumptions used including the revenue and cost estimation, checked the reliability of the management past forecast and also verified the discount rates used against independent sources; and
(c) Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.

(ii) Recoverability of amount due from a related party
(Refer to Note 16 to the financial statements)

Included in the Group's trade receivables is an amount of RM12,414,742 due from a related party, Super Coachliner Sdn. Bhd. ("SCL") as at 30 June 2020 of which shall be recovered through lease agreement for a period of five (5) years.

The Directors has structured the repayment of the balance debt through lease of busses to Pengangkutan Awam Putrajaya Travel & Tours Sdn. Bhd. ("PAPTT") amounted to RM270,000 per month commencing in November 2019. Therefore, the recoverability of the amount due from this related party is dependent on the realisation of the following:

(a) The lease income payable by PAPTT amounted to RM270,000 per month; and
(b) Successfully opposed and appeal against the winding-up petition from creditors.

(CONT'D)

Key Audit Matters (cont'd)

(ii) Recoverability of amount due from a related party (cont'd)
(Refer to Note 16 to the financial statements)

This indicate material uncertainty on the recoverable of the debts from SCL, however, the Directors are confident that the debt will be recovered and therefore, no impairment is required.

This area has been identified as a key audit matter as the impairment of amount due from a related party is assessed based on the arrangement above and affected by the outcome of the material litigations. Therefore, it involves management's judgement and estimate on appropriate parameters and assumptions to determine recoverability.

Our procedures included:

(a) Assessing the reliability and accuracy of the amount due from related parties aging report;
(b) Verifying existence and accuracy of amount due from related parties balance through confirmations from debtors;
(c) Evaluating the reasonableness of the management estimates and assumptions used to determine the impairment; and
(d) Reviewing and assessing the recoverability of the debts through subsequent collections and supporting correspondence between the Group and the respective counter-parties to substantiate management's evaluation.

(iii) Net realisable value of inventories
(Refer to Note 17 to the financial statements)

The Group inventory balances as at the financial year ended amounted to RM2,163,883. Inventories constitute mainly raw material, work-in-progress, fuel and spare parts and used coaches for the purposes of trade and are measured at the lower of cost and net realisable value. The inventories written down during the current financial year amounted to RM2,217,079. The cost of inventories is measured based on weighted average cost, and includes expenditure incurred in acquiring the inventories, conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Changes to the assumptions could result in a material change in the carrying amounts of inventories and the associated movements recorded in the Statements of Profit or Loss and Other Comprehensive Income. There is therefore a risk that the estimates of net realisable values exceed future selling prices, resulting in more losses when inventories are sold. The determination of the estimated net realisable value of these inventories is critically dependent upon the Group's expectations of future selling prices.

Our procedures included:

(a) Performed costing verification to assess whether costing system is appropriate and accurate;
(b) Assessed the reliability of sales quotation obtained;
(c) Testing the net realisable value of the inventories by referring to sales quotation obtained; and
(d) Observed period end physical count of inventories to test the accuracy of the quantities reported in the stock listing.

(CONT'D)

Key Audit Matters (cont'd)

(iv) Recoverability of investment in subsidiary
(Refer to Note 15 to the financial statements)

Investment in subsidiary, Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd. ("KBESM"), of the Company as at 30 June 2020 amounted to RM60,461,894. In view of the adverse financial performance and financial condition of the subsidiaries, there are indications of impairment on the carrying amount of investments in subsidiaries.

In assessing the impairment of these assets, the Directors have compared their carrying amounts with their recoverable amounts. The asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flow, described as cash-generating units ("CGU").

The Directors' assessment of the recoverable amounts of investment in subsidiaries are based on their fair value less costs to sell. The Directors have made impairment of the Investment in subsidiaries amounting to RM60,461,894.

The investments' fair value less costs to sell are based on assumptions using management's estimation and judgement which is inherently uncertain.

Our audit procedures included:

(a) Understanding of the business model that the Directors are pursuing, including obtained evidences based on past experiences;
(b) Made enquiries to evaluate the basis of use of net asset value as approximate its fair value;
(c) Evaluated the appropriateness of the measurement method used to determine the fair value of underlying assets of the investment; and
(d) Evaluated the disclosures made in the notes to the financial statements, including the judgements and the uncertainties.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Corporate Sustainability Statement, Audit Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control, Additional Compliance Information and Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

(CONT'D)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 or the Company to cease to continue as a going concern.

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

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

(CONT'D)

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

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

We also provide the Directors with a statement that we have compiled 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 related safeguards applied.

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

OTHER MATTERS

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

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PKF
AF 0911
CHARTERED ACCOUNTANTS

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NGU SIOW PING
03033/11/2021 J
CHARTERED ACCOUNTANT

Kuala Lumpur

30 October 2020

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Revenue	3	21,906,420	32,989,135	–	–
Cost of sales	4	(22,876,330)	(34,727,321)	–	–
Gross loss		(969,910)	(1,738,186)	–	–
Other income	5	7,712,632	8,346,977	–	20,488
Administrative expenses	6	(17,458,546)	(11,613,931)	(61,220,340)	(9,473,785)
Selling and distribution expenses		(25,776)	(73,286)	–	(3,501)
Other operating expenses	7	(4,395,219)	(2,343,720)	–	–
Net loss arising from the de-recognition of financial assets measured at amortised cost		–	(273,378)	–	–
Net loss on impairment of financial assets measured at amortised cost		(1,036,786)	(1,512,483)	(3,876,317)	(93,836)
Loss from operations		(16,173,605)	(9,208,007)	(65,096,657)	(9,550,634)
Finance cost	9	(3,162,538)	(1,289,474)	(322,521)	(247,604)
Loss before tax		(19,336,143)	(10,497,481)	(65,419,178)	(9,798,238)
Tax (expense)/income	10	(670,272)	763,056	165	660
Loss for the financial year		(20,006,415)	(9,734,425)	(65,419,013)	(9,797,578)
Other comprehensive income will not reclassified subsequently to profit or loss:					
- Revaluation surplus on land and buildings, net of tax		5,350,565	–	–	–
Total comprehensive loss for the financial year		(14,655,850)	(9,734,425)	(65,419,013)	(9,797,578)
Loss for the financial year attributable to:					
Owners of the Company		(18,740,664)	(10,255,969)	(65,419,013)	(9,797,578)
Non-controlling interests		(1,265,751)	521,544	–	–
		(20,006,415)	(9,734,425)	(65,419,013)	(9,797,578)
Total comprehensive loss attributable to:					
Owners of the Company		(13,390,099)	(10,255,969)	(65,419,013)	(9,797,578)
Non-controlling interests		(1,265,751)	521,544	–	–
		(14,655,850)	(9,734,425)	(65,419,013)	(9,797,578)
Loss per share:					
Basic/Diluted (sen per share)	11	(14.87)	(8.14)		

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

STATEMENTS OF
FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	12	44,330,052	65,797,069	3	690
Right-of-use assets	13	28,381,474	–	–	–
Development expenditure	14	5,934,047	112,947	–	–
Investments in subsidiaries	15	–	–	47	60,461,941
Trade and non-trade receivables	16	7,552,515	4,244,802	–	–
		86,198,088	70,154,818	50	60,462,631
Current assets					
Inventories	17	2,173,745	6,180,385	–	–
Trade and non-trade receivables	16	8,316,455	14,403,579	98,220	4,244,847
Tax recoverable		36,340	36,340	–	–
Cash and bank balances		346,252	340,920	2	–
		10,872,792	20,961,224	98,222	4,244,847
TOTAL ASSETS		97,070,880	91,116,042	98,272	64,707,478
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	18	69,145,106	69,145,106	69,145,106	69,145,106
Reserves	19	(47,959,063)	(34,568,964)	(82,482,348)	(17,063,335)
		21,186,043	34,576,142	(13,337,242)	52,081,771
Non-controlling interests	15	1,603,342	2,869,093	–	–
Total equity		22,789,385	37,445,235	(13,337,242)	52,081,771
Non-current liabilities					
Trade and non-trade payables	20	1,999,732	2,198,794	–	–
Lease liability	21	9,475,504	–	–	–
Deferred tax liabilities	22	5,472,155	4,264,116	–	165
		16,947,391	6,462,910	–	165
Current liabilities					
Trade and non-trade payables	20	33,653,969	26,470,390	1,053,286	576,521
Borrowings	23	20,100,369	18,165,122	3,381,668	3,048,461
Lease liability	21	2,393,196	–	–	–
Provisions	24	–	–	9,000,000	9,000,000
Government grants	25	–	2,500,000	–	–
Tax payable		1,186,570	72,385	560	560
		57,334,104	47,207,897	13,435,514	12,625,542
Total liabilities		74,281,495	53,670,807	13,435,514	12,625,707
TOTAL EQUITY AND LIABILITIES		97,070,880	91,116,042	98,272	64,707,478

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Attributable to owners of the Company					
	Non-distributable		Distributable			
	Share capital RM	Revaluation reserve RM	Accumulated losses RM	Total RM	Non-controlling interests RM	Total equity RM
Group						
At 1 July 2018	69,145,106	14,636,621	(39,024,840)	44,756,887	2,317,804	47,074,691
Realisation of revaluation reserve	–	(1,707,720)	1,707,720	–	–	–
Realisation of deferred tax liabilities arising from revaluation reserve	–	–	105,014	105,014	–	105,014
Change in ownership interest in a subsidiary	–	–	(29,790)	(29,790)	29,745	(45)
Total comprehensive loss/(income) for the financial year	–	–	(10,255,969)	(10,255,969)	521,544	(9,734,425)
At 30 June 2019	69,145,106	12,928,901	(47,497,865)	34,576,142	2,869,093	37,445,235
At 1 July 2019	69,145,106	12,928,901	(47,497,865)	34,576,142	2,869,093	37,445,235
Revaluation surplus on land and buildings, net of tax	–	5,350,565	–	5,350,565	–	5,350,565
Realisation of revaluation reserve	–	(320,481)	320,481	–	–	–
Total comprehensive loss for the financial year	–	–	(18,740,664)	(18,740,664)	(1,265,751)	(20,006,415)
At 30 June 2020	69,145,106	17,958,985	(65,918,048)	21,186,043	1,603,342	22,789,385

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

	Share capital RM	Accumulated losses RM	Total equity RM
Company			
At 1 July 2018	69,145,106	(7,265,757)	61,879,349
Total comprehensive loss for the financial year	–	(9,797,578)	(9,797,578)
At 30 June 2019	69,145,106	(17,063,335)	52,081,771
Total comprehensive loss for the financial year	–	(65,419,013)	(65,419,013)
At 30 June 2020	69,145,106	(82,482,348)	(13,337,242)

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

STATEMENTS OF
CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Cash flows from operating activities					
Loss before tax		(19,336,143)	(10,497,481)	(65,419,178)	(9,798,238)
Adjustments for:					
Unwinding of discount		100,939	124,930	–	–
Depreciation of:					
- property, plant and equipment		2,535,654	5,542,523	687	2,750
- right-of-use assets		2,035,222	–	–	–
Bad debts written off		–	273,378	–	–
Loss on:					
- disposal of property, plant and equipment		–	217,367	–	–
- remeasurement of trade and non-trade receivables		1,621,295	214,735	–	–
Impairment loss on property, plant and equipment		8,841,800	580,019	–	–
Impairment loss on investment in subsidiaries		–	–	60,461,894	–
Allowance for expected credit loss of:					
- trade receivables		1,036,786	1,909,553	–	–
- amounts due from subsidiaries		–	–	3,876,317	93,836
Reversal of remeasurement of:					
- trade and non-trade receivables		(214,735)	(1,204,459)	–	(20,488)
Interest expense		2,396,140	1,164,544	322,521	247,604
Interest expense for lease liability		665,459	–	–	–
Amortisation of government grants		(4,732,634)	(8,100,000)	–	–
Provision for financial guarantee contract		–	–	–	9,000,000
Reversal of impairment loss on trade and non-trade receivables		(43,638)	(397,069)	–	–
Write off of:					
- inventories		3,755,579	2,176,832	–	–
- property, plant and equipment		2	107,333	–	–
Operating loss before working capital changes		(1,338,274)	(7,887,795)	(757,759)	(474,536)

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

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Operating loss before working capital changes		(1,338,274)	(7,887,795)	(757,759)	(474,536)
Decrease in inventories		251,061	4,494,642	–	–
Decrease/(Increase) in receivables		379,703	(4,636,134)	9	14,427
Increase/(Decrease) in payables		6,040,526	(2,220,911)	414,968	109,197
Cash from/(used in) operations		5,333,016	(10,250,198)	(342,782)	(350,912)
Tax paid		(37,700)	–	–	–
Tax refunded		–	18,031	–	13,527
Interest paid		(1,780,828)	(842,202)	(322,521)	(247,604)
Net cash from/(used in) operating activities		3,514,488	(11,074,369)	(665,303)	(584,989)
Cash flows from investing activities					
Acquisition of:					
- subsidiary	10(a)	–	–	–	(2)
Increase in investment in a subsidiary		–	–	–	(45)
Development expenditures paid		(5,735,700)	(112,947)	–	–
Proceeds from disposal of property, plant and equipment		34,746	853,250	–	–
Purchase of property, plant and equipment		(43,825)	(512,556)	–	–
Advances from subsidiaries		–	–	270,301	473,273
Net cash (used in)/from investing activities		(5,744,779)	227,747	270,301	473,226

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

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash flows from financing activities					
Advances from/(to) directors		805,898	649,929	(80,500)	80,500
Advances from subsidiaries		–	–	142,297	–
Advances from related parties		37,154	1,281,026	–	1,119
Government grants received		2,232,634	10,600,000	–	–
Increase in trust receipts		127,137	99,421	–	–
Interest paid		(250,654)	(322,342)	–	–
Interest paid for lease liability		(665,459)	–	–	–
Repayment of:					
- hire purchase		(415,591)	(260,217)	–	–
- lease liability		(1,494,539)	–	–	–
Repayment of term loans		(9,375)	(1,044,711)	–	–
Net cash from financing activities		367,205	11,003,106	61,797	81,619
Net (decrease)/increase in cash and cash equivalents		(1,863,086)	156,484	(333,205)	(30,144)
Cash and cash equivalents at 1 July 2019/2018		(9,778,817)	(9,935,301)	(3,048,461)	(3,018,317)
Cash and cash equivalents at 30 June	(i)	(11,641,903)	(9,778,817)	(3,381,666)	(3,048,461)

Notes:

(i) Cash and cash equivalents

Cash and cash equivalents comprise the following:

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Cash and bank balances		346,252	340,920	2	–
Less: Bank overdrafts	23	(11,988,155)	(10,119,737)	(3,381,668)	(3,048,461)
		(11,641,903)	(9,778,817)	(3,381,666)	(3,048,461)

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

Notes (cont'd):

(ii) Reconciliation of liabilities arising from financing activities:

	1 July 2019 RM	Effects of adopting MFRS 16 RM	Cash flows RM	Non cash flows RM	30 June 2020 RM
2020					
Group					
Amount due to a director	1,093,635	–	805,898	–	1,899,533
Amounts due to related parties	1,576,272	–	37,154	–	1,613,426
Borrowings:					
- Trust receipts	4,781,993	–	127,137	–	4,909,130
- Hire purchase payables	415,591	–	(415,591)	–	–
- Term loans	2,847,801	–	(9,375)	364,658	3,203,084
Lease liability	–	13,363,239	(1,494,539)	–	11,868,700
	10,715,292	13,363,239	(949,316)	364,658	23,493,873
Company					
Amount due to directors	80,500	–	(80,500)	–	–
Amount due to related party	1,119	–	–	–	1,119
Amount due to subsidiaries	56,221	–	142,297	–	198,518
	137,840	–	61,797	–	199,637

	1 July 2018 RM	Cash flows RM	30 June 2019 RM
2019			
Group			
Amount due to a director	443,706	649,929	1,093,635
Amounts due to related parties	295,246	1,281,026	1,576,272
Borrowings:			
- Trust receipts	4,682,572	99,421	4,781,993
- Hire purchase payables	675,808	(260,217)	415,591
- Term loans	3,892,512	(1,044,711)	2,847,801
	9,989,844	725,448	10,715,292
Company			
Amount due to directors	–	80,500	80,500
Amount due to related party	–	1,119	1,119
Amount due to subsidiaries	56,221	–	56,221
	56,221	81,619	137,840

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

1. BASIS OF PREPARATION

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

The financial statements are presented in the Ringgit Malaysia (“RM”), which is the Group’s and the Company’s functional and presentation currency.

(a) Standards issued and effective

On 1 July 2019, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 January 2019:

Description	Effective for annual periods beginning on or after
• Annual improvements to MFRS 2015 - 2017 cycle	
- Amendments to MFRS 3, Business Combinations	1 January 2019
- Amendments to MFRS 11, Joint Arrangements	1 January 2019
- Amendments to MFRS 112, Income Taxes	1 January 2019
- Amendments to MFRS 123, Borrowing Costs	1 January 2019
• Amendments to MFRS 119, Employee Benefits: Plan Amendment, Curtailment and Settlement	1 January 2019
• MFRS 16, Leases	1 January 2019
• Amendments to MFRS 9, Financial Instruments: Prepayment Features with Negative Compensation	1 January 2019
• Amendments to MFRS 128, Investment in Associates and Joint Ventures: Long-term Interests in Associates and Joint Ventures	1 January 2019
• IC Interpretation 23, Uncertainty over Income Tax Treatments	1 January 2019

Adoption of above amended MFRS did not have any material impact to the financial performances or positions of the Group and of the Company except for changes in accounting policies as disclosed in Note 1(c) to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(b) Standards issued but not yet effective

The Group and the Company have not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
• Amendments to References to the Conceptual Framework in MFRS Standards	
- Amendments to MFRS 2, Share-Based Payment	1 January 2020
- Amendments to MFRS 3, Business Combinations	1 January 2020
- Amendments to MFRS 6, Exploration for and Evaluation of Mineral Resources	1 January 2020
- Amendments to MFRS 14, Regulatory Deferral Accounts	1 January 2020
- Amendments to MFRS 101, Presentation of Financial Statements	1 January 2020
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
- Amendments to MFRS 134, Interim Financial Reporting	1 January 2020
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets	1 January 2020
- Amendments to MFRS 138, Intangible Assets	1 January 2020
- Amendments to IC Interpretation 12, Service Concession Arrangements	1 January 2020
- Amendments to IC Interpretation 19, Extinguishing Financial Liabilities with Equity Instruments	1 January 2020
- Amendments to IC interpretation 20, Stripping Costs in the Production Phase of a Surface Mine	1 January 2020
- Amendments to IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1 January 2020
- Amendments to IC Interpretation 132, Intangible Assets - Web Site Costs	1 January 2020
- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128 Investment in Associate and Joint Ventures: Sales or Contribution of Assets Between an Investor and its Associate or Joint Venture	Deferred
- Amendments to MFRS 3, Business Combinations: Definition of Business	1 January 2020
- Amendments to MFRS 101, Presentation of Financial Statements and MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Material	1 January 2020

1. BASIS OF PREPARATION (CONT'D)

(b) Standards issued but not yet effective (cont'd)

Description	Effective for annual periods beginning on or after
• Amendments to References to the Conceptual Framework in MFRS Standards (cont'd)	
- Amendments to MFRS 9, Financial Instruments, MFRS 139, Financial Instruments: Recognition and Measurement and MFRS 7, Financial Instruments: Disclosures Interest Rate Benchmark Reform	1 January 2020
- Amendments to MFRS 16, Leases: Covid-19-Related Rent Concessions	1 June 2020
- Amendments to MFRS 101, Presentation of Financial Statements: Classifications of Liabilities as Current or Non-current	1 January 2022
- Amendments to MFRS 3, Business Combinations: Reference to the Conceptual Framework	1 January 2022
- Amendments to MFRS 116, Property, Plant and Equipment: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
- Amendments to MFRS 137, Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
• MFRS 17, Insurance Contracts	1 January 2021
• Annual improvements to MFRSs 2018 - 2020 cycle	
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
- Amendments to MFRS 9, Financial Instruments	1 January 2022
- Amendments to MFRS 16, Leases	1 January 2022
- Amendments to MFRS 141, Agriculture	1 January 2022

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

(c) Explanation on change in accounting policy

MFRS 16 *Leases*

In the current financial year, the Group has adopted MFRS 16 *Leases* ("MFRS 16") effective for the annual financial period beginning on or after 1 January 2019. The Group has elected not to restate comparatives for the financial year ended 30 June 2019 and recognise the cumulative effect of initial applying MFRS 16 as an adjustment to the opening balance of retained earnings.

The Group has also elected not to reassess whether a contract is, or contains, a lease at 1 July 2019 (date of initial application). Instead, the Group relied on their assessment made applying MFRS 117 *Leases* ("MFRS 117") and IC Interpretation 4 *Determining whether an Arrangement contains a Lease* for contracts entered into (or changed) before the date of initial application.

As a lessee

At the date of initial application, for leases previously classified as an operating lease applying MFRS 117, lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at the date of initial application. On 1 July 2019, the weighted average incremental borrowing rate of the Group applied to the lease liabilities is 7.85%.

1. BASIS OF PREPARATION (CONT'D)

(c) Explanation on change in accounting policy (cont'd)

MFRS 16 *Leases (cont'd)*

As a lessee (cont'd)

The right-of-use assets are measured at either:

- their carrying amount as if MFRS 16 has been applied since the commencement date, but discounted using the lessee's incremental borrowing rate at the date of initial application; or

- an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before the date of initial application.

The following practical expedients have been applied to leases previously classified as operating leases applying MFRS 117:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

- relied on previous assessment on whether leases are onerous as an alternative to perform impairment review – there were no onerous contracts as at 1 July 2019;

- accounted for operating leases with a remaining lease term of less than 12 months as at 1 July 2019 as short-term leases;

- excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

- used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

For leases previously classified as finance leases applying MFRS 117, the carrying amount of the right-of-use assets and the lease liabilities as at 1 July 2019 are determined to be the same as the carrying amount of the lease assets and lease liabilities under MFRS 117.

These are impact on the changes to the accounting policies applied to lease contracts entered into by the Group as compared to those applied in previous financial statements. The impact arising from the changes are disclosed as below:

	As reported at 30 June 2019 RM	Adjustments due to adoption of MFRS 16 RM	Adjusted opening balance at 1 July 2019 RM
Group			
Property, plant and equipment	65,797,069	(14,944,246)	50,852,823
Right-of-use assets	–	28,381,474	28,381,474
Lease liability	–	11,868,700	11,868,700

1. BASIS OF PREPARATION (CONT'D)

(c) Explanation on change in accounting policy (cont'd)

MFRS 16 *Leases* (cont'd)

As a lessor

The Group who is an intermediate lessor reassessed the classification of subleases that previously classified as operating leases applying MFRS 117 and concluded that the subleases are finance leases under MFRS 16. The subleases are accounted as new finance leases entered into at the date of initial application.

The adoption of above MFRS did not have any significant effect to the financial statements of the Group.

(d) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in the summary of significant accounting policies.

The financial statements of the Group and of the Company are also prepared on the going concern basis.

(i) However, the Group and the Company incurred a net loss of RM20,006,415 and RM65,419,013 respectively during the financial year ended 30 June 2020 and, as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM46,461,312 and RM13,337,292 respectively and the Company also recorded shareholder deficiency of RM13,337,242 and also significant economic disruptions associated with the Covid-19 pandemic.

(ii) As disclosed in Note 23 and Note 33 to the financial statements, the Group and the Company had defaulted the principal and interest payments amounting to approximately RM20.1 million on its borrowing from AmBank Islamic Bank Berhad ("AmIslamic'), AmBank Berhad ("AmBank") and Hong Leong Bank Berhad ("HLBB") due to its financial constraints and summary of judgement had been awarded on 23 January 2020, 5 June 2020 and 25 February 2020 respectively.

The winding up notice were served to the Group by AmIslamic on 13 July 2020 and Ambank on 2 July 2020.

On 2 March 2020, the Courts had granted the banks with the Order for Sale by public auction on the charged properties secured against the borrowing facilities of the Group. The auction of the said Property was fixed by the court on 24 September 2020.

(iii) In addition, the Company and certain subsidiaries have pending material litigations with financial institutions and creditors as detailed in Note 33 to the financial statements and is also in negotiation with the creditors that have issued a notice or petition of winding up for out an amicable settlement.

The above events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Company's ability to continue as going concerns and therefore, the Group and the Company may be unable to realise their assets and discharge their liabilities in the normal course of business.

1. BASIS OF PREPARATION (CONT'D)

(d) Basis of measurement (cont'd)

The Group on 8 September 2020, announced its intention to undertake the following:-

(i) Proposed private placement of 158,000,000 new ordinary shares in GETS ("Placement Share(s)") at an issue price of RM0.55 per Placement Share to be satisfied entirely via cash ("Proposed Private Placement"); and

(ii) Proposed diversification of the existing principal activities of GETS and its subsidiaries to include manufacturing, sales and marketing of gloves and other related activities ("Proposed Diversification").

Pursuant to Subscription Agreement date 8 September 2020, ADA Capital Limited ("ADA Capital"), has advanced approximately RM30 million on 11 September 2020 to the Company upon the execution of the Subscription Agreement. The advance is deposited with the stakeholder. These funds are for the immediate utilisation of the Company includes repayment of outstanding borrowings, repayment of outstanding creditors and for its working capital requirements.

The Company on 7 October 2020 had fully settled its outstanding borrowing with Hong Leong Bank and in the midst of negotiation with AmBank and AmIslamic for full and final settlement amount.

On 10 September 2020, AmIslamic had also filed a Notice of Discontinuance of proceeding against the subsidiary's properties comprising of recovery of claimed sums, interests and costs whereby the Order for Sale was granted by the Court.

Nevertheless, the financial statements of the Group and of the Company have been prepared on a going concern basis, the validity of which is dependent on the successful implementation of the following:

(i) Restructuring of the defaulted loan with the lenders;
(ii) The completion of private placement of RM86.9 million;
(iii) The ability of the Group and the Company to achieve sustainable and viable operations with adequate cash flows generate from their operating activities; and
(iv) Continuing support from lenders and creditors.

Should the restructuring plan not be successfully formulated and concluded, the application of the going concern accounting concept may be inappropriate and adjustments may be required to, inter alia, write down assets to their realisable values, reclassify all long term assets and liabilities as current and to provide for any further costs which may arise.

The directors of the Company are positive that the outcome of the restructuring plan will be successfully concluded with the various lenders of the Group and of the Company. In view of that, the lenders will not demand immediate repayment of the outstanding balances. Accordingly, the directors of the Company are of the opinion that it is appropriate for the financial statements of the Group and the Company to be prepared on a going concern basis.

1. BASIS OF PREPARATION (CONT'D)

(e) Significant accounting estimates and judgements

Estimates and judgements are continually evaluated by the Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's and of the Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:

(i) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(ii) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimated value in use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Provision for Expected Credit Losses ("ECLs") of Trade Receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on the payment profiles of sales over a period of 36 months before the end of the reporting period and the corresponding historical credit losses experienced within this period.

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 on macroeconomic factors affecting the ability of the customers to settle the receivables. The historical observed default rates are updated and changes in the forward-looking estimates are analysed at every end of the reporting period.

(v) Write-down for Inventories

Reviews are made periodically by management on damaged, obsolete and slow moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

1. BASIS OF PREPARATION (CONT'D)

(e) Significant accounting estimates and judgements (cont'd)

(vi) Deferred Tax Assets and Liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the end of the reporting year. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the statement of financial position date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs.

(vii) Carrying Amount of Investment in Subsidiaries

Investments in subsidiaries are reviewed in accordance with the Group's and the Company's accounting policy as disclosed in Note 2(h)(ii) to the financial statements, due to events indicate that the carrying amount's may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying amount of investments in subsidiaries.

(viii) Revaluation of Properties

Leasehold land and buildings of the Group are reported at valuation which is based on valuation performed by independent professional valuers.

(ix) Leases

(a) Lease term

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for buses and land have been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

Most extension options in land leases have been included in the lease liability, because the Group could not replace the assets without significant cost or business disruption.

(b) Incremental borrowing rate of leases

In determining the incremental borrowing rate, the Group uses recent third-party financing received by the Group as a starting point and makes adjustments specific to the lease, for e.g. term and security.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

(i) Subsidiaries

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

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing the control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transactions costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

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

Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

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

(a) Basis of consolidation (cont'd)

(iii) Non-controlling interests

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

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

(iv) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interest, the difference between the consideration and the Group's share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(v) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as equity accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

(vi) Transactions eliminated on consolidation

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

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

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

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and of the Company and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

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

The principal exchange rates for every unit of foreign currency ruling used at reporting date are as follows:

	2020 **RM**	**2019** **RM**
1 United States Dollar ("USD")	4.2825	4.1420

(c) Revenue and other income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

(i) Sale of used buses and express buses

The Group sells a range of used buses and express buses under Original Equipment Manufacturer ("OEM"). Revenue is recognised at the point in time when control of the asset is transferred to the customer, being when the products are delivered. The contract price is variable for different contracts as the revenue is recognised based on the assets price, net of returns and discounts. The normal credit term is 30 to 180 days upon delivery.

No element of financing is deemed present as the sales are made with a credit term of 30 to 180 days, which is consistent with the market practice.

Trade receivables are recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

(c) Revenue and other income (cont'd)

(ii) City bus and express bus services

The Group provides a range of city bus and express bus services through selling bus tickets. Revenue is recognised at the point in time when the completion of services were rendered. The contract price is variable for different contracts as the revenue is recognised based on the package of tickets price, net of returns and discounts. The normal credit term is cash on delivery.

(iii) Repair and maintenance services

The Group provides a range of repair and maintenance bus services to inter-companies and external markets. Revenue is recognised at the point in time when the completion of services were rendered. The contract price is variable for different contracts as the revenue is recognised based on the spare parts price, net of returns and discounts. The normal credit term is 30 to 180 days upon delivery.

(iv) Rental income

Rental income is recognised on straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(v) Engineering services

The Group provides engineering service works for the development of 2 units of double decker electric bus. Revenue is recognised at the point in time when the completion of services were rendered. The contract price is variable for different contracts as the revenue is recognised based on the purchase order of engineering works, net of returns and discounts. The normal credit term is 45 days upon delivery.

(vi) Interest income

Interest income is recognised using the effective interest method for financial assets measured at amortised cost and at fair value through other comprehensive income.

(d) Employee benefits expense

(i) Short term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the financial period in which the associated services are rendered by employees of the Group and of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when 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.

(ii) Defined contribution plans

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

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

(e) Borrowing costs

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) Tax expense

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

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

(g) Loss per ordinary share

The Group presents basic and diluted loss per ordinary share ("LPS") data for its ordinary shares.

Basic LPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted LPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(h) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables 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 expected credit loss, 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 expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses 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 expected credit losses 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 amount.

At each reporting date, the Group and the Company assess whether 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 determines 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.

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

(h) Impairment (cont'd)

(ii) Non-financial assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of the asset.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss for an asset other than goodwill is reversed 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. If that is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(i) Property, plant and equipment

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 Company and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost. Costs include purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bring the asset to working condition for its intended use, and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

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

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

(i) Property, plant and equipment (cont'd)

Subsequent to recognition, property, plant and equipment whose fair value can be measured reliably are measured at a revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The Group revalues its long-term leasehold land and buildings and yard infrastructure every five (5) years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to the date of revaluation are stated at cost until the next revaluation exercise.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

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

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Depreciation of the other property, plant and equipment is provided for on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land	31 years to 81 years
Buildings	2%
Buses and motor vehicles	10% - 20%
Renovation	15% - 20%
Plant and machineries	10% - 20%
Office equipment, furniture and fittings	10% - 33%

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

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

(j) Leases

The Group and the Company had applied MFRS 117 until financial year ended 30 June 2019. From 1 July 2019, MFRS 16 has been applied.

Current financial year

(i) Initial recognition and measurement

(a) As a lessee

The Group and the Company recognised right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:

- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- 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.

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 and the Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

Leases for which the Group or the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group and the Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right- of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

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

(j) Leases (cont'd)

Current financial year (cont'd)

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(h)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

The Company has elected to apply revaluation model to leasehold land and building. The leasehold land and building are measured at revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Increases in the carrying amounts arising on revaluation of leasehold land and building are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the leasehold land and building revaluation surplus to retained earnings.

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

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

(j) Leases (cont'd)

Previous financial year

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group and the Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purpose of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, with the following exceptions:

- Property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property, is accounted for as if held under a finance lease; and

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Finance Leases – as Lessee

Assets acquired by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is in the statements of financial position as borrowings. In calculating the present value of the minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Any initial direct costs are also added to the carrying amounts of such assets.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

The depreciation policy for leased assets is in accordance with that for the depreciable property, plant and equipment as described in Note 2(i) to the financial statements.

(iii) Operating Leases – as Lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings element in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

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

(j) Leases (cont'd)

Previous financial year (cont'd)

(iv) Operating Leases – as Lessor

Assets leased out under operating leases are presented in the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(k) Research and development expenditures

Research expenditure is recognised as an expense when it is incurred.

Development expenditures are recognised as expense except that expenditures incurred on development projects are capitalised as non-current assets to the extent that such expenditures are expected to generate future economic benefits. Development expenditures are capitalised if, and only if an entity can demonstrate all of the following:

(a) its ability to measure reliably the expenditures attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditures are measured at cost less accumulated amortisation and impairment losses, if any. Development expenditures initially recognised as expenses are not recognised as assets in the subsequent period.

The development expenditures are amortised on a unit of production method over the life of the project when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditures are written down to its recoverable amount.

Amortisation of development expenditure when the products are ready for sale or use is provided for on a straight-line basis over the useful lives of the assets as follows:

Development expenditure	Nature	Useful life
Automobile software	Automobile software	15 years

The amortisation method, useful life and residual value are reviewed, and adjusted if appropriate, at the end of each financial year.

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

(l) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

(m) Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Subsequent measurement

The Group and the Company classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

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

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

- ***Amortised cost***

  Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method. Any gain or loss on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gain and losses.

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

(m) Financial assets (cont'd)

(ii) Subsequent measurement (cont'd)

- ***Fair value through other comprehensive income ("FVOCI")***

1. Debt investment

Debt investment, which is not designated as at fair value through profit or loss, is measured at FVOCI when the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and its contractual terms give rise on specified dates to cash flows that are solely payments to principal and interest on the principal amount outstanding.

Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income calculated using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Impairment expenses are presented as a separate line item in the statement of profit or loss.

2. Equity investment

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

- ***Fair value through profit or loss ("FVTPL")***

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument).

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

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

(m) Financial assets (cont'd)

(iii) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

(n) Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials, work-in-progress and fuel and spare parts are determined on the weighted average method. Costs of new and used coaches are determined using the specific identification method.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(o) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, deposits pledged and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(p) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company becomes party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measures a financial liability at its fair value plus, in the case of a financial liability not at FVTPL, transaction costs that are directly attributable to the issue of the financial liability.

(ii) Subsequent measurement

The categories of financial liabilities at initial recognition are as follows:

(a) Amortised cost

All financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities where it is designated as FVTPL.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

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

(p) Financial liabilities (cont'd)

(ii) Subsequent measurement (cont'd)

(b) Fair value through profit or loss ("FVTPL")

Financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition are measured at FVTPL.

Financial liabilities may be designated upon initial recognition at FVTPL only if the criteria in MFRS 9 Financial Instruments *(IFRS 9 as issued by IASB in July 2014)* are satisfied. The Company has not designated any financial liability as at FVTPL.

Financial liabilities categorised at FVTPL are subsequently carried at fair value with the gain or losses recognised in profit or loss.

(iii) Derecognition

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liability assumed, is recognised in profit or loss.

(q) Provisions

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

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

(r) Contingencies

(i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of 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 liabilities unless the probability outflow of economic benefits is remote.

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

(r) Contingencies (cont'd)

(ii) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one of more uncertain future events not wholly within the control of the entity, the asset is not recognised in the statement of financial position but is being disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

(s) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available as disclosed in Note 28 to the financial statements.

(t) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.

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

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

3. REVENUE

Disaggregation of revenue

In the following table, revenue from contracts with customers is disaggregated by major goods or services and timing of revenue recognition.

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Revenue from contract with customers:				
Sale of used buses and express buses	–	7,840,000	–	–
City bus services	7,676,833	11,288,542	–	–
Express bus services	5,803,715	13,424,121	–	–
Repair and maintenance services	1,658	436,472	–	–
Engineering services	8,424,214	–	–	–
	21,906,420	32,989,135	–	–
Timing of revenue recognition				
At a point in time	21,906,420	32,989,135	–	–

4. COST OF SALES

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Opening inventories	234,180	72,699	–	–
Purchase	–	5,245,504	–	–
Depreciation of property, plant and equipment (Note 12)	1,571,161	2,455,564	–	–
Depreciation of right-of-use assets (Note 13)	1,781,765	–	–	–
Employee benefits expense (Note 8)	5,939,296	8,369,858	–	–
Cost of goods manufactured	455,269	1,421,208	–	–
Others	13,128,839	17,396,668	–	–
Closing inventories	(234,180)	(234,180)	–	–
	22,876,330	34,727,321	–	–

5. OTHER INCOME

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Reversal of remeasurement of trade and non-trade receivables	214,739	1,804,459	–	20,488
Amortisation of government grant	4,732,634	8,123,371	–	–
Rental income	2,108,667	5,500	–	–
Reversal of impairment loss of trade and non-trade receivables	43,638	–	–	–
Sale of used buses and express buses	252,000	–	–	–
Others	360,954	(1,586,353)	–	–
	7,712,632	8,346,977	–	20,488

6. ADMINISTRATIVE EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Bad debts written off	–	273,378	–	–
Depreciation of property, plant and equipment (Note 12)	964,493	3,086,959	687	2,750
Depreciation of right-of-use assets (Note 13)	253,457	–	–	–
Employee benefits expenses (Note 8)	3,796,798	4,946,283	111,000	124,750
Impairment loss on property, plant and equipment	8,202,160	580,019	–	–
Impairment loss on investment in subsidiaries	–	–	60,461,894	–
Loss on remeasurement of trade and non-trade receivables	1,621,295	214,735	–	–
Loss on disposal of property, plant and equipment	–	217,367	–	–
Written off of property, plant and equipment	–	107,333	–	–
Provision for financial guarantee	–	–	–	9,000,000
Others	2,620,343	2,187,857	646,759	346,285
	17,458,546	11,613,931	61,220,340	9,473,785

7. OTHER OPERATING EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Impairment loss on property, plant and equipment	639,640	–	–	–
Written down of inventories	3,755,579	2,176,832	–	–
Others	–	166,888	–	–
	4,395,219	2,343,720	–	–

8. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cost of sales (Note 4)	5,939,296	8,369,858	–	–
Administrative expense (Note 6)	3,796,798	4,946,283	111,000	124,750
	9,736,094	13,316,141	111,000	124,750
Staff costs				
- salaries, bonus, overtime and allowance	6,766,292	10,314,944	–	–
- contribution to defined contribution plan	705,501	947,804	–	–
- social security contributions	115,450	183,917	–	–
- other employee benefit expenses	62,448	59,870	–	–
	7,649,691	11,506,535	–	–

8. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Directors' remuneration and fees				
(i) Executive Directors:				
- fees	30,000	90,000	–	–
- salaries and other emoluments	1,923,600	1,577,296	–	–
- contribution to defined contribution plan	20,880	16,560	–	–
- social security contributions	923	1,000	–	–
	1,975,403	1,684,856	–	–
(ii) Non-executive Directors:				
- fees	79,500	80,500	79,500	80,500
- other emoluments	31,500	44,250	31,500	44,250
	111,000	124,750	111,000	124,750
	2,086,403	1,809,606	111,000	124,750
	9,736,094	13,316,141	111,000	124,750

9. FINANCE COSTS

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Interest expense on:				
- bank overdrafts	1,780,828	842,202	322,521	247,604
- hire purchase payables	5,056	14,315	–	–
- lease liability	665,459	–	–	–
- overdue	148,507	–	–	–
- term loans	364,658	308,027	–	–
- trust receipt	97,091	–	–	–
- unwinding discount	100,939	124,930	–	–
	3,162,538	1,289,474	322,521	247,604

10. TAX EXPENSE/(INCOME)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Current tax expense				
- current year	1,107,294	48,500	–	–
- under/(over)provision in prior year	44,591	(10,903)	–	–
	1,151,885	37,597	–	–
Deferred tax (Note 22)				
- current year	458,461	392,892	(165)	–
- crystallisation of deferred tax liabilities on revaluation of property, plant and equipment	(101,205)	–	–	–
- overprovision in prior year	(838,869)	(1,193,545)	–	(660)
	(481,613)	(800,653)	(165)	(660)
	670,272	(763,056)	(165)	(660)

(a) Recognised in profit or loss

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Reconciliation of tax expense/(income)				
Loss before tax	(19,336,143)	(10,497,481)	(65,419,178)	(9,798,238)
Tax calculated at statutory rate of 24%	(4,640,674)	(2,519,395)	(15,700,603)	(2,351,577)
Non-deductible expenses	2,062,025	3,139,049	15,700,438	2,351,598
Non-taxable income	(74,681)	(208,959)	–	(21)
Crystallisation of deferred tax assets	(101,205)	–	–	–
Deferred tax assets not recognised	4,219,085	30,697	–	–
	1,464,550	441,392	(165)	–
Under/(Over)provision in prior year:				
- current tax	44,591	(10,903)	–	–
- deferred tax	(838,869)	(1,193,545)	–	(660)
	670,272	(763,056)	(165)	(660)

10. TAX INCOME (CONT'D)

(a) Recognised in profit or loss (cont'd)

The Group has unutilised tax losses of RM25,119,197 (2019: RM19,647,101) and unabsorbed capital allowances of RM9,926,805 (2019: RM8,485,635) available for offsetting against future taxable profits.

Effective from year of assessment 2019, the unutilised tax losses can be carried forward for a period of 7 years from year of assessment 2019 onwards to set off against future taxable profit. However, the unutilised tax losses which arose up to year of assessment 2018 are to be utilised before the year of assessment 2025.

Unutilised tax losses can be carried forward for a period of 7 years of assessment ("YA") to set off against future taxable profits as follows:

	Group		Company	
	RM	Utilised up to	RM	Utilised up to
YA 2018 and before	18,570,721	YA 2025	–	–
YA 2019	2,878,864	YA 2026	–	–
YA 2020	5,472,096	YA 2027	–	–

(b) Recognised in other comprehensive income

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Deferred tax:				
- Revaluation surplus	1,689,652	–	–	–

11. LOSS PER SHARE

Basic/Diluted loss per share is calculated by dividing loss for the financial year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2020	2019
Loss for the financial year attributable to owners of the Company (RM)	(18,740,664)	(10,255,969)
Weighted average number of ordinary shares in issue (units)	126,000,000	126,000,000
Loss per share (sen)	(14.87)	(8.14)

There is no diluted loss per share disclosed as there was no dilutive potential ordinary share.

12. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land RM	Buildings RM	Buses and motor vehicles RM	Renovation RM	Plant and machineries RM	Office equipment, furniture and fittings RM	Total RM
Group							
2020							
Cost/Valuation							
At 1 July 2019 (before restated)	16,556,131	40,974,567	26,642,718	179,941	2,683,100	1,918,026	88,954,483
Initial application of MFRS 16	(16,531,131)	–	–	–	–	–	(16,531,131)
At 1 July 2019 (after restated)	25,000	40,974,567	26,642,718	179,941	2,683,100	1,918,026	72,423,352
Additions	–	34,746	4,550	–	–	4,529	43,825
Revaluation surplus	–	4,931,006	–	–	–	–	4,931,006
Elimination of accumulated depreciation	–	(9,886,466)	–	–	–	–	(9,886,466)
Disposal	(25,000)	(42,435)	–	–	–	–	(67,435)
Transfer to development expenditures	–	–	–	–	–	(85,400)	(85,400)
Written off	–	–	(146,316)	–	–	(55,300)	(201,616)
At 30 June 2020	–	36,011,418	26,500,952	179,941	2,683,100	1,781,855	67,157,266

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

	Leasehold land RM	Buildings RM	Buses and motor vehicles RM	Renovation RM	Plant and machineries RM	Office equipment, furniture and fittings RM	Total RM
Group							
2020							
Accumulated depreciation and impairment loss							
At 1 July 2019 (before restated)							
Accumulated depreciation	1,595,701	9,023,005	8,155,862	114,089	1,882,563	1,600,175	22,371,395
Accumulated impairment loss	–	–	786,019	–	–	–	786,019
	1,595,701	9,023,005	8,941,881	114,089	1,882,563	1,600,175	23,157,414
Initial application of MFRS 16	(1,586,885)	–	–	–	–	–	(1,586,885)
At 1 July 2019 (after restated)	8,816	9,023,005	8,941,881	114,089	1,882,563	1,600,175	21,570,529
Depreciation for the financial year	147	887,187	1,382,697	15,914	186,809	62,900	2,535,654
Elimination of accumulated depreciation	–	(9,886,466)	–	–	–	–	(9,886,466)
Disposal	(8,963)	(23,726)	–	–	–	–	(32,689)
Written off	–	–	(146,315)	–	–	(55,299)	(201,614)
Additions on impairment loss	–	–	8,208,022	–	599,980	33,798	8,841,800
At 30 June 2020							
Accumulated depreciation	–	–	9,392,244	130,003	2,069,372	1,607,776	13,199,395
Accumulated impairment loss	–	–	8,994,041	–	599,980	33,798	9,627,819
	–	–	18,386,285	130,003	2,669,352	1,641,574	22,827,214
Carrying amount							
At 30 June 2020	–	36,011,418	8,114,667	49,938	13,748	140,281	44,330,052
Representing:							
At valuation	–	36,011,418	–	–	–	–	36,011,418
At cost	–	–	8,114,667	49,938	13,748	140,281	8,318,634
	–	36,011,418	8,114,667	49,938	13,748	140,281	44,330,052

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

	Leasehold land RM	Buildings RM	Buses and motor vehicles RM	Renovation RM	Plant and machineries RM	Office equipment, furniture and fittings RM	Total RM
Group							
2019							
Cost/Valuation							
At 1 July 2018	16,556,131	40,974,567	27,233,382	179,941	2,683,100	1,832,626	89,459,747
Additions	–	–	427,156	–	–	85,400	512,556
Transfer from inventories	–	–	2,140,000	–	–	–	2,140,000
Transfer to inventories	–	–	(1,040,000)	–	–	–	(1,040,000)
Disposal	–	–	(1,977,820)	–	–	–	(1,977,820)
Written off	–	–	(140,000)	–	–	–	(140,000)
At 30 June 2019	16,556,131	40,974,567	26,642,718	179,941	2,683,100	1,918,026	88,954,483
Accumulated depreciation and impairment loss							
At 1 July 2018							
Accumulated depreciation	1,340,937	8,135,680	5,254,380	97,545	1,689,012	1,493,855	18,011,409
Accumulated impairment loss	–	–	206,000	–	–	–	206,000
	1,340,937	8,135,680	5,460,380	97,545	1,689,012	1,493,855	18,217,409
Depreciation for the financial year	254,764	887,325	4,084,019	16,544	193,551	106,320	5,542,523
Transfer to inventories	–	–	(242,667)	–	–	–	(242,667)
Disposal	–	–	(907,203)	–	–	–	(907,203)
Written off	–	–	(32,667)	–	–	–	(32,667)
Additions on impairment loss	–	–	580,019	–	–	–	580,019
At 30 June 2019							
Accumulated depreciation	1,595,701	9,023,005	8,155,862	114,089	1,882,563	1,600,175	22,371,395
Accumulated impairment loss	–	–	786,019	–	–	–	786,019
	1,595,701	9,023,005	8,941,881	114,089	1,882,563	1,600,175	23,157,414
Carrying amount							
At 30 June 2019	14,960,430	31,951,562	17,700,837	65,852	800,537	317,851	65,797,069
Representing:							
At valuation	14,960,430	31,951,562	–	–	–	–	46,911,992
At cost	–	–	17,700,837	65,852	800,537	317,851	18,885,077
	14,960,430	31,951,562	17,700,837	65,852	800,537	317,851	65,797,069

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

Analysis of buses and motor vehicles

	Buses RM	Motor vehicles RM	Total RM
Group			
2020			
Cost			
At 1 July 2019	26,134,682	508,036	26,642,718
Additions	4,550	–	4,550
Written off	–	(146,316)	(146,316)
At 30 June 2020	26,139,232	361,720	26,500,952
Accumulated depreciation and impairment loss			
At 1 July 2019			
Accumulated depreciation	7,668,693	487,169	8,155,862
Accumulated impairment loss	786,019	–	786,019
	8,454,712	487,169	8,941,881
Depreciation for the financial year	1,380,997	1,700	1,382,697
Additions on impairment loss	8,202,160	5,862	8,208,022
Written off	–	(146,315)	(146,315)
At 30 June 2020			
Accumulated depreciation	9,049,690	342,554	9,392,244
Accumulated impairment loss	8,988,179	5,862	8,994,041
	18,037,869	348,416	18,386,285
Carrying amount			
At 30 June 2020	8,101,363	13,304	8,114,667
At 30 June 2019	17,679,970	20,867	17,700,837

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

	Office equipment, furniture and fittings RM
Company	
2020	
Cost	
At 1 July 2019/30 June	217,700
Accumulated depreciation	
At 1 July 2019	217,010
Depreciation for the financial year	687
At 30 June	217,697
Carrying amount	
At 30 June	3
2019	
Cost	
At 1 July 2018/30 June	217,700
Accumulated depreciation	
At 1 July 2018	214,260
Depreciation for the financial year	2,750
At 30 June	217,010
Carrying amount	
At 30 June	690

(a) The Group's buildings were revalued on 21 August 2020, 24 August 2020 and 8 October 2020 by independent professional qualified valuers using the comparison method.

(b) Fair value of the buildings are categorised under Level 3 of fair value. Level 3 of fair value is determined by using the comparison method. The comparable properties is close proximity are adjusted for differences in key attributes such as location and category of the property being valued.

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

(c) Had the revalued leasehold land and buildings been carried at historical cost less accumulated depreciation, the carrying amount of the leasehold land and buildings that would have been included in the financial statements of the Group would have been as follows:

	Leasehold land RM	Building RM
Group		
2020		
Cost	–	32,544,820
Accumulated depreciation	–	(8,779,954)
	–	23,764,866
2019		
Cost	5,798,368	32,445,835
Accumulated depreciation	(1,079,525)	(7,928,871)
	4,718,843	24,516,964

(d) The carrying amount of certain land and buildings of the Group amounting to RM35,599,998 (2019: RM36,224,465) are charged to licensed banks as security for banking facilities granted to the subsidiaries of the Company as disclosed in Note 23 to the financial statements.

(e) Carrying amount of property, plant and equipment of the Group under hire purchase as at the end of reporting period are as follows:

	Group 2020 RM	Group 2019 RM
Buses and motor vehicles	–	2,302,030

(f) The title deeds of buses with the carrying amount amounting to RM2,589,000 (2019: RM8,643,373), has not been transfer to the subsidiaries. During the financial year, the Agensi Pengangkutan Awam Darat ("APAD") requires to undergo Transfer of Ownership Inspection at Puspakom prior to ownership transfer. The management are in the midst of arranging for inspection prior to the transfer of ownership on the title deeds and are confident that the procedures will be completed by next financial year.

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

(g) During the financial year, the Group carried out an assessment to determine the recoverability of certain property, plant and equipment following continued losses incurred by the Group.

The review led to the recognition of a net impairment of RM8,202,160 (2019: RM580,019), which due to the impairment of the express bus segment and city bus segment based on its recoverable amount. The recoverable amount of property, plant and equipment in express bus segment and city bus segment were valued at its cash-generating units (CGUs). The recoverable amount was determined based on value-in-use ("VIU") and fair value less cost to sale ("FVLCTS").

The key assumption used in VIU are as follows:

- Average number of buses on the road;
- Average loading rate per bus are the key assumptions used in the value in use calculations in the 5-year detailed forecast period are derived based on historical results;
- Average revenue growth rates based on loading rate;
- Overall gross profit margins are determined based on historical margins achieved by the Company; and
- discount rate(s) used in the current estimate by base using Weighted Average Cost of Capital ("WACC") of 6% (2019: 3.80%) per annum.

The key assumption used in FVLCTS are based on:

- The market value of the scraped metal; and
- The net weight of the buses.

13. RIGHT-OF-USE ASSETS

	Leasehold land RM	Buses RM	Total RM
Group			
Carrying amount			
At 1 July 2019	–	–	–
Initial application of MFRS 16	14,944,246	13,363,239	28,307,485
At 1 July 2019 (as restated)	14,944,246	13,363,239	28,307,485
Revaluation surplus	2,109,211	–	2,109,211
Depreciation for the financial year	(253,457)	(1,781,765)	(2,035,222)
At 30 June	16,800,000	11,581,474	28,381,474
Representing:			
At cost	–	11,581,474	11,581,474
At valuation	16,800,000	–	16,800,000
	16,800,000	11,581,474	28,381,474

13. RIGHT-OF-USE ASSETS (CONT'D)

(a) The Group's leasing activities are summarises as follows:

Right-of-use assets	**Nature**
Leasehold land	The leasehold land is for a period range from 31 to 81 years. The Group has entered into 2 non-cancellable operating lease arrangement for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreement.
Buses	The Group has entered into 1 cancellable operating lease arrangement for the use of buses. The leases are for a period of 5 years with option to extend for a further 5 years.

(b) The Group leasehold land was revalued on 21 August 2020, 24 August 2020 and 29 September 2020 by independent professional qualified valuers using the comparison method.

(c) Fair value of the leasehold land are categorised under Level 3 of fair value. Level 3 of fair value is determined by using the comparison method. The comparable properties is close proximity are adjusted for differences in key attributes such as location and category of the property being valued.

(d) Had the revalued leasehold land been carried at historical cost less accumulated depreciation, the carrying amount of the leasehold land and buildings that would have been included in the financial statements of the Group would have been as follows:

	Leasehold land RM
Group	
2020	
Cost	5,840,803
Accumulated depreciation	(1,258,339)
	4,582,464

(e) The carrying amount of certain leasehold land of the Group amounting to RM16,800,000 (2019: RMNIL) are charged to licensed banks as security for banking facilities granted to the subsidiaries of the Company as disclosed in Note 23 to the financial statements.

14. DEVELOPMENT EXPENDITURES

	Automobile software RM
Group	
2020	
Cost	
At 1 July 2019	112,947
Additions	5,735,700
Transfer from property, plant and equipment	85,400
At 30 June 2020	5,934,047
Carrying amount	
At 30 June 2020	5,934,047
2019	
Cost	
At 1 July 2018	–
Additions	112,947
At 30 June 2019	112,947
Carrying amount	
At 30 June 2019	112,947

Included in the development expenditures is an amount of RMNIL (2019: RM112,947) in respect of staff costs incurred during the financial year.

The development expenditures consist of direct and related costs for overhead and software solutions incurred in the process of development, and attributable to the Group's on-going development of electric bus reportable segment. There are no amortisation during the financial year as the assets are not ready for use.

15. INVESTMENT IN SUBSIDIARIES

	Company 2020 RM	Company 2019 RM
Unquoted shares, at cost		
At 1 July 2019/2018	40,161,996	40,161,949
Additions	–	47
At 30 June	40,161,996	40,161,996
Equity loans	34,000,000	34,000,000
	74,161,996	74,161,996
Less: Impairment loss		
At 1 July 2019/2018	(13,700,055)	(13,700,055)
Addition	(60,461,894)	–
At 30 June	(74,161,949)	(13,700,055)
	47	60,461,941

The details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of company:	Effective equity interest 2020	Effective equity interest 2019	Principal activities
Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd. ("KBESM")	100%	100%	Express bus services and Investment holding
Mykor Electric Vehicle Sdn. Bhd. ("MEV")	100%	100%	Dormant
Gets E-Mobility Solutions Sdn. Bhd. ("GEMS")	100%	100%	Designers, developers, buyers, sellers, importers, exporters and dealers in all kinds of Automotive and Internet of Things solution related to transportation and e-mobility and to undertake research and development in the field of e-mobility, Internet of Things and to establish, provide, maintain and operate research laboratories, workshops, projects and programmes.

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of company:	Effective equity interest 2020	Effective equity interest 2019	Principal activities
Subsidiary of Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd.:			
Super Coach Assembly Plant Sdn. Bhd. ("SCAP")	100%	100%	Assembly and fabrication of bodies for buses and provision of related maintenance services
Wonrey Tours & Travel Sdn. Bhd. ("WTT") ^	55%	55%	Dormant
Meru Ekspres Sdn. Bhd. ("MESB") ^	100%	100%	Dormant
HigerX Malaysia Marketing Sdn. Bhd. ("HMM") ^	100%	100%	Dormant
Santero Sdn. Bhd. ("SSB") ^	100%	100%	Dormant
Konsortium KBES Sdn. Bhd. ("KKSB") ^	100%	100%	Dormant
Taiping Holidays Resorts Sdn. Bhd. ("THR") ^	100%	100%	Dormant
Super Ria Bas Transport Sdn. Bhd. ("SRBT") ^	75%	75%	Dormant
Super Ria Ekspres Sdn. Bhd. ("SRE") ^	100%	100%	Dormant
Damai Ria Transline Sdn. Bhd. ("DRT") ^	100%	100%	Dormant
Damai Ria Ekspres Sdn. Bhd. ("DRE") ^	100%	100%	Dormant
Onetexx Sdn. Bhd. ("OSB") (Formerly Known As Super Trans Composite Products Sdn. Bhd. ("STCP")	100%	100%	Dormant
Pengangkutan Awam Putrajaya Travel and Tours Sdn. Bhd. ("PAPTT")	80%	80%	City bus operator

^ The management intends to strike off the company.

During the financial year, the Company carried out a review of the recoverable amount of its investment in subsidiaries. The review led to the recognition of a net impairment of RM60,461,894 (2019: RMNIL), which due to the impairment in subsidiaries to its net tangible assets.

The Company carried out an assessment to determine the recoverability of the investment of subsidiaries following continued losses incurred by Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd.

An impairment loss of RM60,461,894 was recognised on the cost of investment as the carrying amount of the investment exceeded its net tangible assets which is deemed as its fair value less cost to sale.

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interest

(i) The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

	WTT	SRBT	PAPTT	Total RM
2020				
NCI percentage of ownership interest and voting interest (%)	45	25	20	–
Carrying amount of NCI (RM)	–	817,160	786,182	1,603,342
Loss allocated to NCI (RM)	(107,289)	(1,150)	(1,157,312)	(1,265,751)
2019				
NCI percentage of ownership interest and voting interest (%)	45	25	20	–
Carrying amount of NCI (RM)	107,289	818,310	1,943,494	2,869,093
(Loss)/Profit allocated to NCI (RM)	(4,218)	(2,372)	528,134	521,544

(ii) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	WTT RM	SRBT RM	PAPTT RM
2020			
Assets and liabilities as at 30 June 2020			
Current assets	–	3,268,645	3,589,358
Current liabilities	–	–	(18,888,912)
Net current assets/(liabilities)	–	3,268,645	(15,299,554)
Results for the financial year			
Loss for the financial year	(238,419)	(4,598)	(5,786,465)
Total comprehensive loss	(238,419)	(4,598)	(5,786,465)
Cash flows for the financial year			
Cash flows used in operating activities	(13,745)	(13,887)	(480,212)
Cash flows from financing activities	13,738	13,853	391,244
Net decrease in cash and cash equivalents	(7)	(34)	(88,968)

15. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interest (cont'd)

(ii) The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows: (cont'd)

	WTT RM	SRBT RM	PAPTT RM
2019			
Assets and liabilities as at 30 June 2019			
Current assets	248,441	3,282,532	9,397,126
Current liabilities	(10,022)	(9,289)	(16,639,481)
Net current assets/(liabilities)	238,419	3,273,243	(7,242,355)
Results for the financial year			
(Loss)/Profit for the financial year	(9,373)	(9,489)	2,640,628
Total comprehensive (loss)/income	(9,373)	(9,489)	2,640,628
Cash flows for the financial year			
Cash flows used in operating activities	(7,128)	(6,109)	(4,035,005)
Cash flows from financing activities	1,790	5,324	3,795,546
Net decrease in cash and cash equivalents	(5,338)	(785)	(239,459)

16. TRADE AND NON-TRADE RECEIVABLES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-current:					
Trade:					
Amounts due from related parties	(a)	9,173,810	4,459,537	–	–
Less: Amortisation					
At 1 July 2019/2018		(214,735)	(1,204,459)	–	–
Remeasurement		(1,621,295)	(214,735)	–	–
Unwinding of discount		214,735	1,204,459	–	–
At 30 June		(1,621,295)	(214,735)	–	–
		7,552,515	4,244,802	–	–
Non-trade:					
Amounts due from subsidiaries	(b)	–	–	–	–
Less: Amortisation					
At 1 July 2019/2018		–	–	–	(20,488)
Unwinding of discount		–	–	–	20,488
At 30 June		–	–	–	–
		–	–	–	–
		7,552,515	4,244,802	–	–
Current:					
Trade:					
Trade receivables	(c)	17,969,486	16,764,220	–	–
Less: Loss allowance					
At 1 July 2019/2018		(14,943,148)	(13,430,664)	–	–
Addition during the financial year		(1,036,786)	(1,909,553)	–	–
Reversal		43,638	397,069	–	–
At 30 June		(15,936,296)	(14,943,148)	–	–
		2,033,190	1,821,072	–	–
Amounts due from related parties	(a)	3,240,932	10,840,000	–	–
		5,274,122	12,661,072	–	–

16. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

		Group		Company	
		2020	**2019**	**2020**	**2019**
	Note	**RM**	**RM**	**RM**	**RM**
Current:					
Non-trade:					
Non-trade receivables		431,332	452,106	–	–
Less: Impairment					
At 1 July 2019/2018/30 June		(10,000)	(10,000)	–	–
		421,332	442,106	–	–
Amounts due from subsidiaries	(b)	–	–	4,047,114	4,317,415
Less: Loss allowance					
At 1 July 2019/2018		–	–	(93,836)	–
Addition		–	–	(3,876,317)	(93,836)
At 30 June		–	–	(3,970,153)	(93,836)
		–	–	76,961	4,223,579
Amounts due from related parties	(a)	1,213,327	–	–	–
Deposits		1,292,773	822,347	11,140	11,140
Prepayments		114,901	478,054	10,119	10,128
		3,042,333	1,742,507	98,220	4,244,847
		8,316,455	14,403,579	98,220	4,244,847

16. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

(a) Amounts due from related parties

The amounts due from related parties are as follows:

	Group 2020 RM	2019 RM
Non-current:		
Trade:		
Super Coachliner Sdn. Bhd.	7,552,515	4,244,802
Current:		
Trade:		
Super Coachliner Sdn. Bhd.	3,240,000	10,840,000
Arca Hi-Tech Sdn. Bhd0	932	–
	3,240,932	10,840,000
Non-trade:		
Aiman Motor Performance Sdn. Bhd.	96,178	–
Arca Corporation Sdn. Bhd.	1,115,500	–
Stoneway Corporation Sdn. Bhd.	973	–
Super Coachliner Sdn. Bhd.	676	–
	1,213,327	–

The amounts due from related parties are trade balances granted credit terms of 180 days (2019: 180 days) and non-trade balances, unsecured and are interest free.

The non-current portion has been amortised at 6% (2019: 3.80%) per annum, and is receivable at the end of financial year 2025 (2019: 2021).

The Directors has structured the repayment of the balance debt through lease of busses to Pengangkutan Awam Putrajaya Travel & Tours Sdn. Bhd. ("PAPTT") amounted to RM270,000 per month commenced on November 2019.

Significant related party transactions have been disclosed in Note 26 of the financial statements.

16. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

(b) Amounts due from subsidiaries

The amounts due from subsidiaries are as follows:

	Company 2020 RM	Company 2019 RM
Non-current:		
Non-trade:		
Super Coach Assembly Plant Sdn. Bhd.	–	–
Less: Amortisation		
At 1 July 2019/2018	–	(20,488)
Unwinding of discount	–	20,488
At 30 June	–	–
	–	–
Current:		
Non-trade:		
Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd.	3,953,278	4,223,579
Super Coach Assembly Plant Sdn. Bhd.	93,836	93,836
Less: Loss allowance		
At 1 July 2019/2018	(93,836)	–
Additions	(3,876,317)	(93,836)
At 30 June	(3,970,153)	(93,836)
	76,961	4,223,579

The current balances are unsecured advances which are interest free and receivable on demand.

Significant related party transactions have been disclosed in Note 26 of the financial statements.

(c) Trade receivables

Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 180 days (2019: 30 days to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

17. INVENTORIES

	Group 2020 RM	Group 2019 RM
At cost:		
Raw materials	262,078	802,544
Work-in-progress	–	2,638,161
Fuel and spare parts	715	715
Used coaches	–	2,738,965
	262,793	6,180,385
At net realisable value:		
Used coaches	847,000	–
Work-in-progress	1,063,952	–
	1,910,952	–
	2,173,745	6,180,385
Recognised in profit and loss:		
Cost of sales	–	8,047,582
Write down of inventories	3,755,579	2,176,832

18. SHARE CAPITAL

	Group and Company			
	2020	2019	2020	2019
	Number of Ordinary Shares		RM	RM
Issued and fully paid	126,000,000	126,000,000	69,145,106	69,145,106

The holder of ordinary shares is entitled to receive dividends as and when declared by the Group and the Company. All ordinary shares carry one (1) vote per share without restriction and rank equally with regards to the Group's and the Company's residual interests.

19. RESERVES

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Non-distributable					
Revaluation reserve	(a)	17,958,985	12,928,901	–	–
Distributable					
Accumulated losses		(65,918,048)	(47,497,865)	(82,482,348)	(17,063,335)
		(47,959,063)	(34,568,964)	(82,482,348)	(17,063,335)

(a) Revaluation reserve

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 July 2019/2018	12,928,901	14,636,621	–	–
Revaluation surplus on land and buildings, net of tax	5,350,565	–	–	–
Realisation of revaluation reserve	(320,481)	(1,707,720)	–	–
At 30 June	17,958,985	12,928,901	–	–

The revaluation reserve represents the surplus arising from the revaluation of leasehold land and buildings of the Group and of the Company (net of deferred tax, where applicable) and decreases to the extent that such decrease relates to an increase on the same asset previously recognised in equity.

20. TRADE AND NON-TRADE PAYABLES

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Non-current:					
Trade:					
Trade payables	(a)	2,086,472	2,386,473	–	–
Less: Amortisation					
At 1 July 2019/2018		(187,679)	(312,609)	–	–
Unwinding of discount		100,939	124,930	–	–
At 30 June		(86,740)	(187,679)	–	–
		1,999,732	2,198,794	–	–
Current:					
Trade:					
Trade payables	(a)	19,271,010	17,400,603	–	–
Amounts due to related parties	(b)	691,064	820,447	–	–
		19,962,074	18,221,050	–	–
Non-trade:					
Non-trade payables	(c)	5,389,701	3,440,798	425,179	241,431
Amount due to a director	(d)	1,899,533	1,093,635	–	80,500
Amounts due to related parties	(b)	1,613,426	1,576,272	1,119	1,119
Amounts due to subsidiaries	(e)	–	–	198,518	56,221
Deposit received		2,183,038	1,165,021	51,000	51,000
Prepayment for top up card		221,298	–	–	–
Accruals	(c)	2,384,899	973,614	377,470	146,250
		13,691,895	8,249,340	1,053,286	576,521
		33,653,969	26,470,390	1,053,286	576,521

(a) Trade payables

Trade payables of the Group comprise amounts outstanding for trade purchases. The credit periods granted to the Group range from 30 days to 120 days (2019: 30 days to 120 days). No interest is charged on the trade payables' outstanding balances. The Group has financial risk management policies in place to ensure that all the payables are paid within the pre-agreed credit terms.

The non-current portion represents unsecured and interest-free advances with amortised cost adjustment at 5.05% (2019: 5.05%) per annum, which is repayable at the end of financial year 2023 (2019: 2023).

20. TRADE AND NON-TRADE PAYABLES (CONT'D)

(b) Amounts due to related parties

The amounts due to related parties are as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Current:				
Trade:				
Stoneway Corporation Sdn. Bhd.	691,064	820,447	–	–
Non-trade:				
Arca Corporation Sdn. Bhd.	136,980	309,280	1,119	1,119
Arca Security Force Sdn. Bhd.	633,888	563,948	–	–
Arca Transline Sdn. Bhd.	5,805	5,805	–	–
Arca Hi-Tech Engineering Sdn. Bhd.	484,292	265,199	–	–
Arca Security Services Sdn. Bhd.	–	214,375	–	–
Aiman Motor Performance Sdn. Bhd.	108,841	85,741	–	–
Aiman Motor Sdn. Bhd.	126,920	126,920	–	–
Muhamad Bin Aman	–	5,004	–	–
Stoneway Corporation Sdn. Bhd.	116,700	–	–	–
	1,613,426	1,576,272	1,119	1,119
	2,304,490	2,396,719	1,119	1,119

The current balances are trade balances granted credit terms of 180 days (2019: 180 days) and non-trade balances unsecured which are interest free and repayable on demand.

Significant related party's transactions are disclosed in Note 26 to the financial statements.

(c) Non-trade payables and accruals

Non-trade payables and accruals comprise mainly outstanding for ongoing costs.

(d) Amount due to a director

Amount due to a director represent outstanding salaries, advances and payments made on behalf, which are unsecured, interest-free and repayable on demand.

Significant related party's transactions are disclosed in Note 26 to the financial statements.

20. TRADE AND NON-TRADE PAYABLES (CONT'D)

(e) Amounts due to subsidiaries

The amounts due to subsidiaries are as follows:

	Company 2020 RM	2019 RM
Current:		
Mykor Electric Vehicle Sdn. Bhd.	55,458	55,458
Pengangkutan Awam Putrajaya Travel & Tours Sdn. Bhd.	143,060	763
	198,518	56,221

Amounts due to subsidiaries represent advances and payments made on behalf, which are unsecured, interest-free and repayable on demand.

Significant related party's transactions are disclosed in Note 26 to the financial statements.

21. LEASE LIABILITY

	Group 2020 RM	2019 RM
Representing:		
Current liabilities	2,393,196	–
Non-current liabilities	9,475,504	–
	11,868,700	–
Recognised in profit or loss:		
Interest expense on lease liabilities	665,459	–
Expense relating to short-term leases	39,663	–

The total cash outflow for leases for the financial year ended 30 June 2020 of the Group is RM1,494,539.

22. DEFERRED TAX LIABILITIES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At 1 July 2019/2018	4,264,116	5,169,783	165	825
Recognised in profit or loss (Note 10)	(481,613)	(800,653)	(165)	(660)
Recognised in other comprehensive income (Note 10)	1,689,652	–	–	–
Recognised directly in equity	–	(105,014)	–	–
At 30 June	5,472,155	4,264,116	–	165

The components and movements of deferred tax assets and liabilities during the financial year are as follows:

	Property, plant and equipment RM	Unutilised tax losses RM	Total RM
Deferred tax assets of the Group			
At 1 July 2019	(472,066)	(796,528)	(1,268,594)
Recognised in profit or loss	973,767	–	973,767
At 30 June 2020	501,701	(796,528)	(294,827)
At 1 July 2018	1,165,912	(1,189,420)	(23,508)
Recognised in profit or loss	(1,637,978)	392,892	(1,245,086)
At 30 June 2019	(472,066)	(796,528)	(1,268,594)

22. DEFERRED TAX LIABILITIES (CONT'D)

The components and movements of deferred tax assets and liabilities during the financial year are as follows: (cont'd)

	Property, plant and equipment RM	Revaluation reserve RM	Total RM
Deferred tax liabilities of the Group			
At 1 July 2019	1,027,248	4,505,462	5,532,710
Recognised in profit or loss	(1,354,175)	(101,205)	(1,455,380)
Recognised other comprehensive income	–	1,689,652	1,689,652
At 30 June 2020	(326,927)	6,093,909	5,766,982
At 1 July 2018	582,815	4,610,476	5,193,291
Recognised in profit or loss	444,433	–	444,433
Recognised in equity	–	(105,014)	(105,014)
At 30 June 2019	1,027,248	4,505,462	5,532,710
Deferred tax liabilities of the Company			
At 1 July 2019	165	–	165
Recognised in profit or loss	(165)	–	(165)
At 30 June 2020	–	–	–
At 1 July 2018	825	–	825
Recognised in profit or loss	(660)	–	(660)
At 30 June 2019	165	–	165

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Provision	14,124,320	1,522,558	–	–
Unutilised tax losses	25,119,197	15,100,159	–	–
Unabsorbed capital allowance	9,926,805	14,968,087	–	–
	49,170,322	31,590,804	–	–

23. BORROWINGS

		Group		Company	
	Note	2020 RM	2019 RM	2020 RM	2019 RM
Secured					
Current					
Trust receipt	(a)	4,909,130	4,781,993	–	–
Bank overdrafts	(b)	11,988,155	10,119,737	3,381,668	3,048,461
Hire purchase payables	(c)	–	415,591	–	–
Term loans	(d)	3,203,084	2,847,801	–	–
		20,100,369	18,165,122	3,381,668	3,048,461

In the previous financial year, the Group and the Company had defaulted the principal and interest payments. Details are as follows:

(1) Trust Receipt and bank overdraft of Konsortium Bas Ekspres Semenanjung (M) Sdn. Bhd. ("KBESM")

(i) defaulted on Trust Receipts' principal and interest repayment, which was due on 23 October 2018, amounting to RM4,741,106 in relation to the purchase of express buses; and

(ii) defaulted on bank overdraft's late payment charges amounting to RM1,553,872, which was due on 18 March 2019.

In the event of default, the AmBank Islamic Berhad ("AmBank") have demanded that the outstanding amount plus interest of the trust receipt amounted to RM4,741,106 are immediately due and payable on 22 March 2019. The breach has also triggered a cross default under the other facilities agreements granted to the Group.

On 21 May 2019, the Group had received a Letter of Recall and Termination of Facilities from the advocates and solicitors acting on behalf AmBank that it has defaulted in repayment of principal sums and interest in respect of the trust receipt and overdraft facilities, total amounted to RM9,870,257.

On 3 June 2019, the Group has been served with a Form 16D dated 3 June 2019 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the AmBank for the repayment of trust receipt and bank overdraft facilities of RM9,870,257. The financial institution would proceed to apply an order for sale in respect of leasehold land and buildings charged to the financial institution if the Group fails to remedy the breach. The Group is seeking legal advice on the Notice and will take appropriate steps to address the issue.

On 23 October 2019, Ambank has proposed 3 settlement dates for the outstanding Trust Receipt with the latest date due on 30 November 2019 prior to the agreement of repayment arrangement propose by the Company.

On 25 January 2020, Ambank had granted application for recovery of claim and the Group had filed an appeal to the Court of Appeal and application of stay of execution on 18 February 2020 and 28 February 2020 respectively. However, the Court had on 10 July 2020 dismissed the Group's application for stay of execution.

On 28 February 2020, Ambank had granted foreclosure proceeding of properties held by STCP. The Court had fixed date for an Auction held on 24 September 2020. However, the Auction did not proceed subsequently.

On 13 July 2020, Ambank had issue winding up Notice demanding payment to be made within 6 months, by 13 January 2021.

23. BORROWINGS (CONT'D)

(2) Bank overdraft of the Company defaulted on principal and interest repayment amounting to RM3,033,358, which was due on 15 July 2019.

In the event of default, the Group had received a Letter of Demand and Recall of Facilities from the advocates and solicitors acting on behalf AmBank Islamic Berhad that it has defaulted in repayment of principal sums and interest in respect of the bank overdraft facilities, total amounted to RM3,033,358.

On 21 August 2019, the Group has been served with a Form 16D dated 21 August 2019 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the financial institution for the repayment of bank overdraft facilities of RM3,033,358. The financial institution would proceed to apply an order for sale in respect of leasehold land and buildings charged to the financial institution if the Group fails to remedy the breach. The Group is seeking legal advice on the Notice and will take appropriate steps to address the issue.

On 5 June 2020, Ambank had granted application for Summary Judgement and the Group had filed an appeal to the Court of Appeal and application of stay of execution on 23 June 2020.

On 8 July 2020, Ambank had issue winding up Notice demanding payment to be made within 6 months, by 8 January 2021.

(3) Bank overdraft of Super Coach Assembly Plant Sdn. Bhd. ("SCAP") defaulted in payment of the amount in excess in the sum of RM71,318 as at 30 April 2019.

In the event of default, the Group had received a Letter of Demand from the advocates and solicitors acting on behalf Hong Leong Bank Berhad that it has defaulted in repayment of excess sum in respect of the bank overdraft facilities, total amounted to RM71,318.

On 25 July 2019, the Group had received a Letter of Demand and Recall of Facilities from the advocates and solicitors acting on behalf Hong Leong Bank Berhad that it has defaulted in repayment of principal sums and interest in respect of the bank overdraft and bank guarantee facilities, amounted to RM2,999,419 and RM799,000 respectively.

On 5 September 2019, the Group has been served with a Form 16D dated 5 September 2019 (Notice of Default With Respect of a Charge) pursuant to Section 254 of the National Land Code 1965 ("the Notice") from the financial institution for the repayment of bank overdraft and bank guarantee facilities of RM3,798,419. The financial institution would proceed to apply an order for sale in respect of leasehold land and buildings charged to the financial institution if the Group fails to remedy the breach. The Group is seeking legal advice on the Notice and will take appropriate steps to address the issue.

HLBB has on 11 October 2019 proposed a repayment arrangement and agreed to withhold legal action subject to the conditions set out in the letter including the requirement for the Group to pay an upfront payment of RM1 million on or before 17 October 2019. However, the amount was not paid.

On 25 February 2020, the Court has granted application of Foreclosure Proceeding by HLBB.

On 17 September 2020, HLBB had obtained judgement and order for sale.

23. BORROWINGS (CONT'D)

Consequently, the entire bank borrowings of the Group were classified as current liabilities.

Pursuant to the Subscription Agreement, the new investor on 8 September 2020, ADA Capital Investment Limited, has advanced approximately RM30 million to the Company for the immediate utilisation of the Company which include the repayment of the outstanding borrowings, repayment of outstanding creditors and for its working capital requirement.

On 10 September 2020, Ambank had also filed a notice of discontinued of proceedings against the Group's properties.

For this purpose, on 7 October 2020, the Group has fully settled its outstanding with HLBB amounted to RM7,260,000. As of to date, the Group are in the midst of finalising the settlement agreement with Ambank and AmIslamic.

The Group is highly confident that the debt settlement and withdrawal of court cases will be successful and has no material impact on the going concern assumption.

(a) Trust receipt

The Trust Receipt of the Group bear interest at a rate of 8.45% per annum (2019: 7.90%) and is secured by:

(i) Third party first legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Notes 12 and 13 to the financial statements;
(ii) Personal guarantee by a Director of the Group; and
(iii) Corporate guarantee issued by the Company.

(b) Bank overdrafts

The Bank Overdrafts of the Group and Company bear interest rates ranging from of 6.95% to 7.95% and 8.89% (2019: 7.70% to 8.89% and 8.45%) per annum and are secured by:

(i) First and third party legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Notes 12 and 13 to the financial statements;
(ii) Personal guarantee by a Director of the Group; and
(iii) Corporate guarantee issued by the Company.

23. BORROWINGS (CONT'D)

(c) Hire purchase payables

	Group 2020 RM	Group 2019 RM
Minimum hire purchase payments:		
Repayable within one year	–	470,689
Less: Future finance charges	–	(55,098)
Present value of hire purchase payables	–	415,591
Present value of hire purchase payables:		
Repayable within one year	–	415,591
Representing hire purchase payables:		
Current	–	415,591

The hire purchase payables bear weighted average effective interest rates at NIL (2019: 4.30%) per annum.

In previous financial year, the Company did not meet the repayment obligations relating to hire purchase payables amounting to RMNIL (2019: RM470,689). Accordingly, all hire purchase instalments under these hire purchase facilities, which were originally scheduled for repayment after 30 June 2019, are reclassified as current liabilities.

(d) Term loans

The remaining maturities of the term loans are as follows:

	Group 2020 RM	Group 2019 RM
Within one year	3,203,084	2,847,801

The term loans of the Group bear interest rates at 7.65% (2019: 8.89%) per annum and are secured by:

(i) First party second legal charge over property, plant and equipment and right-of-use assets of the Group as disclosed in Notes 12 and 13 to the financial statements; and
(ii) Corporate guarantee issued by the Company.

24. PROVISIONS

	Company 2020 RM	Company 2019 RM
Provision for financial guarantees		
At 1 July 2019/2018	9,000,000	–
Addition	–	9,000,000
At 30 June	9,000,000	9,000,000

25. GOVERNMENT GRANTS

	Group 2020 RM	Group 2019 RM
At 1 July 2019/2018	2,500,000	–
Received during the financial year	2,232,634	10,600,000
Recognised in profit or loss	(4,732,634)	(8,100,000)
At 30 June	–	2,500,000
Analysed as:		
Current	–	2,500,000

Government grants granted to subsidiaries comprise the following:

(a) Perbadanan Putrajaya grant was given for the maintenance on the city buses in Putrajaya. The grant has been fully utilised during the financial year.

(b) Perbadanan Putrajaya grant was given for management of Putrajaya Sentral in Putrajaya. The grant has been fully utilised during the financial year.

There were no unfulfilled conditions and other contingencies attaching to government assistance that had been recognised.

26. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) *Identities of related parties*

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Related companies;
(iii) Related parties;
(iv) Entities in which directors have substantial financial interests; and
(v) Key management personnel of the Group and of the Company, comprising directors' having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) *Significant related party transactions*

The Group has related party transactions with the following related parties:

	Group	
	2020 RM	2019 RM
With related parties:		
Sales of express and used buses	36,114	7,840,000
Purchase of spare parts	–	(947,243)
Rental expenses	(3,490,375)	(1,664,700)
Repair and maintenance income	936,128	130,790
Security services	(412,036)	(1,049,548)
Sub-contract fee	(42,491)	(144,973)
Workshop tools & expenses	–	(1,860)

The related parties balances are disclosed in Notes 16 and 20 to the financial statements.

The Directors are of the opinion that the transactions above have been entered into in the normal course of business and have been established on terms and conditions mutually agreed between the relevant parties.

(c) *Key management compensation*

The key management compensation during the financial year is disclosed in Note 8 to the financial statements.

27. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group has entered into operating lease agreements for the use of ticket counters and office. The future aggregate minimum lease payments under operating leases contracted for as of the reporting date but not recognised as liabilities are as follows:

	Group	
	2020	**2019**
	RM	**RM**
Not later than one year	–	180,000

28. OPERATING SEGMENTS

Products and services from which reportable segments derive their revenue

The Group has five (5) reportable segments, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different technology, business and marketing strategies. The reportable segments are summarised as follows:

1. Investment holdings
2. Express bus services
3. Sales of express and used buses and repair and maintenance services
4. City bus services
5. Electric bus development

The Group evaluates performance of the operating segments on the basis of profit or loss from operations before tax not including non-recurring losses, such as restructuring costs, if any.

Inter-segment revenue is priced along the same lines as sales to external customers and is eliminated in the consolidated financial statements. These policies have been applied consistently throughout the current and previous financial year.

Segment assets exclude assets used primarily for corporate purposes.

28. OPERATING SEGMENTS (CONT'D)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

	Investment holding RM	Express bus services RM	Sales of express and used buses and repair and maintenance services RM	City bus services RM	Electric bus development RM	Elimination RM	Total RM
Group							
2020							
Revenue							
Total revenue	160,000	5,803,715	1,658	8,210,797	7,890,250	(160,000)	21,906,420
Inter-segment revenue	(160,000)	–	–	–	–	160,000	–
Revenue from external customers	–	5,803,715	1,658	8,210,797	7,890,250	–	21,906,420
Finance costs	(322,521)	(1,603,763)	(469,856)	(766,398)	–	–	(3,162,538)
Net finance expenses	(322,521)	(1,603,763)	(469,856)	(766,398)	–	–	(3,162,538)
Segment (loss)/profit before income tax	(65,851,325)	(20,815,247)	(4,101,747)	(5,991,545)	3,602,848	73,820,873	(19,336,143)
Tax expense	(36,082)	908,230	–	–	(1,083,794)	(458,626)	(670,272)

28. OPERATING SEGMENTS (CONT'D)

Segment revenue and results (cont'd)

The following is an analysis of the Group's revenue and results by reportable segments: (cont'd)

	Investment holding RM	Express bus services RM	Sales of express and used buses and repair and maintenance services RM	City bus services RM	Electric bus development RM	Elimination RM	Total RM
Group							
2020							
Other material non-cash items:							
• Property, plant and equipment:							
• depreciation	(274,973)	(2,774,484)	(194,122)	(34,296)	–	742,221	(2,535,654)
• impairment loss	–	(5,849,160)	(639,640)	–	–	(2,353,000)	(8,841,800)
• additions	–	43,825	–	–	–	–	43,825
• Depreciation of right-of-use assets	(79,012)	(174,445)	–	(1,781,765)	–	–	(2,035,222)
• Net loss on impairment of financial assets	(4,036,317)	(4,393,124)	–	(7,906,523)	(956,726)	16,255,904	(1,036,786)
• Loss on remeasurement of trade and non-trade receivables	–	(1,482,811)	(138,484)	–	–	–	(1,621,295)
• Unwinding of discount							
• trade and non-trade receivables	–	214,735	–	–	–	–	214,735
• trade and non-trade payables	–	–	–	(100,939)	–	–	(100,939)
Segment assets	19,116,275	55,871,398	2,199,947	15,280,170	6,270,906	(1,667,816)	97,070,880
Segment liabilities	17,104,643	60,113,349	13,875,041	30,569,228	3,751,850	(60,132,616)	65,281,495

28. OPERATING SEGMENTS (CONT'D)

Segment revenue and results (cont'd)

The following is an analysis of the Group's revenue and results by reportable segments: (cont'd)

	Investment holding RM	Express bus services RM	Sales of express and used buses and repair and maintenance services RM	City bus services RM	Electric bus development RM	Elimination RM	Total RM
Group							
2019							
Revenue							
Total revenue	240,000	13,424,121	9,252,596	11,288,542	–	(1,216,124)	32,989,135
Inter-segment revenue	(240,000)	–	(976,124)	–	–	1,216,124	–
Revenue from external customers	–	13,424,121	8,276,472	11,288,542	–	–	32,989,135
Finance costs	(2,388,653)	(3,694,156)	(1,774,173)	(124,930)	–	6,692,438	(1,289,474)
Net finance expenses	(2,388,653)	(3,694,156)	(1,774,173)	(124,930)	–	6,692,438	(1,289,474)
Segment (loss)/profit before income tax	(13,045,520)	(47,387,565)	(2,538,919)	2,640,628	–	49,833,895	(10,497,481)
Tax expense	(6,844)	1,162,793	(1)	–	–	(392,892)	763,056

28. OPERATING SEGMENTS (CONT'D)

Segment revenue and results (cont'd)

The following is an analysis of the Group's revenue and results by reportable segments: (cont'd)

	Investment holding RM	Express bus services RM	Sales of express and used buses and repair and maintenance services RM	City bus services RM	Electric bus development RM	Elimination RM	Total RM
Group							
2019							
Other material non-cash items:							
• Property, plant and equipment:							
• depreciation	(357,036)	(3,102,149)	(221,652)	(1,861,686)	–	–	(5,542,523)
• written off	–	–	–	(1)	–	(107,332)	(107,333)
• impairment loss	–	(580,019)	–	–	–	–	(580,019)
• additions	–	427,156	–	–	85,400	–	512,556
• Net loss on impairment of financial assets	(1,235,248)	(45,167,347)	205,830	(259,777)	–	44,944,058	(1,512,484)
• Loss on remeasurement of trade and non-trade receivables	–	–	(214,735)	–	–	–	(214,735)
• Unwinding of discount							
• trade and non-trade receivables	20,488	7,428,861	250,737	196,811	–	(6,692,438)	1,204,459
• trade and non-trade payables	(2,141,049)	(3,074,471)	(1,476,918)	(124,930)	–	6,692,438	(124,930)
Segment assets	79,818,013	70,792,538	5,436,031	9,540,762	198,349	(74,669,651)	91,116,042
Segment liabilities	24,161,874	57,235,137	13,009,378	18,838,275	198,347	(59,772,204)	53,670,807

28. OPERATING SEGMENTS (CONT'D)

Revenue from major customer

Revenue from NIL (2019: 1) major customer, with revenue equal to or more than 10% of the Group's revenue, amounted to approximately RMNIL (2019: RM8,232,014) arising from sales of express and used buses and repair and maintenance services segments.

Geographical information

Information on geographical segments is not presented as the Group operates predominantly in Malaysia.

29. FINANCIAL INSTRUMENTS

Categories of financial instrument

The table below provides an analysis of financial instruments categorised as financial assets and liabilities measured at amortised cost ("AC") follows:

	Carrying amount RM	AC RM
Group		
2020		
Financial assets		
Trade and non-trade receivables (excluding prepayments)	15,754,069	15,754,069
Cash and bank balances	346,252	346,252
	16,100,321	16,100,321
Financial liabilities		
Trade and non-trade payables	35,653,701	35,653,701
Borrowings	20,100,369	20,100,369
	55,754,070	55,754,070
Company		
2020		
Financial assets		
Trade and non-trade receivables (excluding prepayments)	88,101	88,101
Cash and bank balances	2	2
	88,103	88,103
Financial liabilities		
Non-trade payables	1,053,286	1,053,286
Borrowings	3,381,668	3,381,668
	4,434,954	4,434,954

29. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instrument (cont'd)

	Carrying amount RM	AC RM
Group		
2019		
Financial assets		
Trade and non-trade receivables (excluding prepayments)	18,170,327	18,170,327
Cash and bank balances	340,920	340,920
	18,511,247	18,511,247
Financial liabilities		
Trade and non-trade payables	28,669,184	28,669,184
Borrowings	18,165,122	18,165,122
	46,834,306	46,834,306
Company		
2019		
Financial asset		
Trade and non-trade receivables (excluding prepayments)	4,234,719	4,234,719
Financial liabilities		
Non-trade payables	576,521	576,521
Borrowings	3,048,461	3,048,461
	3,624,982	3,624,982

29. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instrument (cont'd)

Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Net (losses)/gains arising on:				
Financial assets measured at amortised cost				
Bad debts written off	–	(273,378)	–	–
Loss on remeasurement of trade and non-trade receivables	(1,621,295)	(214,735)	–	–
Reversal of remeasurement of trade and non-trade receivables	214,735	1,204,459	–	–
Allowance for expected credit loss:				
- charge for the financial year	(1,036,786)	(1,909,553)	(3,876,317)	(93,836)
- reversal	43,638	397,069	–	–
	(2,399,708)	(796,138)	(3,876,317)	(93,836)
Net (losses)/gains arising on:				
Financial liabilities measured at amortised cost				
Reversal of remeasurement of trade and non-trade payables	(100,939)	(124,930)	–	–
Interest expenses	(2,396,140)	(1,164,544)	(322,521)	(247,604)
	(2,497,079)	(1,289,474)	(322,521)	(247,604)

Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, cash flows risk, liquidity risk and foreign currency risk.

The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and of the Company's businesses whilst managing its credit risk, interest rate risk, cash flows risk, liquidity risk and foreign currency risk.

The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

29. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk

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

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that might have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any financial instruments except for the concentration of credit risk arising from exposures to the related party, Super Coachliner Sdn. Bhd. amounting to RM10,792,515 representing 97% of the Group's total net trade and non-trade receivables, respectively and manages these risks by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The bank and financial institutions have low credit risks. In addition, the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Non-trade receivables and deposits

Credit risks on non-trade receivables are mainly arising from other receivables and deposits paid for office buildings counters leased at each state. These deposits will be received at the end of each lease terms. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

29. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Inter-company loans and advances

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial positions deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries loans and advances as follows.

	Gross amount RM	Loss allowance RM	Carrying amount RM
Company			
2020			
Significant increase in credit risk	4,047,114	(3,970,153)	76,961
2019			
Significant increase in credit risk	4,317,415	(93,836)	4,223,579

The significant increase in net measurement of loss allowance is primarily due to the subsidiaries had defaults its bank repayments, continuously loss making and is having a deficit shareholders' fund.

29. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Credit-impaired financial assets

At each reporting date, the Group assesses whether 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.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- A breach of contract such as a default or being more than 120 days past due;
- The restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

Ageing analysis

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2020 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM	Individual amortisation RM	Carrying amount RM
Group				
2020				
Not past due:	93,013	–	–	93,013
- 1 to 30 days past due	465,640	–	–	465,640
	558,653	–	–	558,653
Credit Impaired				
- more than 120 days past due	4,715,469	–	–	4,715,469
- Individually impaired	15,936,296	(15,936,296)	–	–
Amortisation				
Individually amortised	9,173,810	–	(1,621,295)	7,552,515
	29,825,575	(15,936,296)	(1,621,295)	12,267,984
	30,384,228	(15,936,296)	(1,621,295)	12,826,637

29. FINANCIAL INSTRUMENTS (CONT'D)

Credit risk (cont'd)

Ageing analysis (cont'd)

	Gross carrying amount RM	Loss allowance RM	Individual amortisation RM	Carrying amount RM
Group				
2019				
Not past due:	8,093,372	–	–	8,093,372
- 1 to 30 days past due	590,268	–	–	590,268
	8,683,640	–	–	8,683,640
Credit Impaired				
- more than 120 days past due	8,222,234	–	–	8,222,234
- Individually impaired	14,943,148	(14,943,148)	–	–
Amortisation				
Individually amortised	214,735	–	(214,735)	–
	23,380,117	(14,943,148)	(214,735)	8,222,234
	32,063,757	(14,943,148)	(214,735)	16,905,874

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk is minimal as the Group rarely placed any deposits with financial institutions in Malaysia. Majority of the borrowings are contracted on variable terms.

29. FINANCIAL INSTRUMENTS (CONT'D)

Interest rate risk (cont'd)

Effective interest rates and repricing analysis

	Effective interest rate per annum %	Within 1 year RM
Group		
2020		
Financial liabilities		
Trust receipt	8.45	4,909,130
Bank overdrafts	6.95 - 8.89	11,988,155
Term loans	7.65	3,203,084
		20,100,369
2019		
Financial liabilities		
Trust receipt	7.90	4,781,993
Bank overdrafts	7.70 - 8.89	10,119,737
Hire purchase payables	4.30	415,591
Term loans	8.89	2,847,801
		18,165,122
Company		
2020		
Financial liability		
Bank overdraft	6.95	3,381,668
2019		
Financial liability		
Bank overdraft	8.45	3,048,461

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's and the Company's equity and profits:

	Group		Company	
	2020 Increase/ (Decrease) RM	2019 Increase/ (Decrease) RM	2020 Increase/ (Decrease) RM	2019 Increase/ (Decrease) RM
Effects on profit after taxation				
Increase of 10 basis point	(15,276)	(13,805)	(2,570)	(2,317)
Decrease of 10 basis point	15,276	13,805	2,570	2,317

29. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group and the Company's manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows, by matching the maturity profiles of financial assets and liabilities, and by monitoring and maintaining a level of cash and cash equivalents deemed adequate by management to finance the Group's and the Company's operations and to mitigate the effects of fluctuations in cash flows.

Maturity analysis

The table below show summaries the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
Group				
2020				
Trade and non-trade payables	35,653,701	35,653,701	33,653,969	1,999,732
Borrowings:				
- Trust receipt	4,909,130	4,812,039	4,812,039	–
- Bank overdrafts	11,988,155	12,004,275	12,004,275	–
- Term loans	3,203,084	3,962,582	3,962,582	–
	55,754,070	56,432,597	54,432,865	1,999,732
2019				
Trade and non-trade payables	28,669,184	28,669,184	26,470,390	2,198,794
Borrowings:				
- Trust receipt	4,781,993	4,781,993	4,781,993	–
- Bank overdrafts	10,119,737	10,119,737	10,119,737	–
- Hire purchase payables	415,591	470,689	470,689	–
- Term loans	2,847,801	3,016,928	3,016,928	–
	46,834,306	47,058,531	44,859,737	2,198,794

29. FINANCIAL INSTRUMENTS (CONT'D)

Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 - 5 years RM
Company				
2020				
Trade and non-trade payables (excluding financial guarantees)	1,053,286	1,053,286	1,053,286	–
Borrowings:				
- Bank overdrafts	3,381,668	3,381,668	3,381,668	–
	4,434,954	4,434,954	4,434,954	–
2019				
Trade and non-trade payables (excluding financial guarantees)	576,521	576,521	576,521	–
Financial guarantees contracts	9,000,000	9,000,000	9,000,000	–
Borrowings:				
- Bank overdrafts	3,048,461	3,048,461	3,048,461	–
	12,624,982	12,624,982	12,624,982	–

Foreign currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than United States Dollar ("USD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

30. FAIR VALUES

The financial assets and financial liabilities maturing within the next 12 months approximated their fair values due to the relatively short term maturity of the financial instruments, except for amount due from a subsidiary, a related company, and amounts due to subsidiaries, as it is not practical to estimate the fair value due principally to a lack of fixed repayment term entered by the parties involved and without incurring excessive costs. The directors are at the opinion that the carrying amounts recorded at the statement of financial position date do not differ significantly from the values that would eventually be recovered.

The Group and the Company use the following fair value hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Fair value hierarchy

The table below analyses financial instrument carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Input for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Fair value of financial instruments not carried at fair value			
	Level 1 **RM**	**Level 2** **RM**	**Level 3** **RM**	**Total** **RM**
Group				
2020				
Financial liabilities				
Term loan	–	3,312,682	–	3,312,682
2019				
Financial liabilities				
Term loan	–	3,016,928	–	3,016,928
Hire purchase payables	–	703,200	–	703,200

31. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 30 June 2020.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group and the Company includes within net debt, trade and other payables, borrowings, provision for financial guarantee and current tax liabilities, less cash and bank balances. Capital represents equity attributable to the owners of the Company.

The gearing ratios of the Group and of the Company are as follows:

	Group		Company	
	2020 RM	**2019 RM**	**2020 RM**	**2019 RM**
Trade and non-trade payable	35,653,701	28,669,184	1,053,286	576,521
Borrowings	20,100,369	18,165,122	3,381,668	3,048,461
Provision for financial guarantee	–	–	9,000,000	9,000,000
Tax payables	1,186,570	72,385	560	560
Less: Cash and bank balances	(346,252)	(340,920)	(2)	–
Net debt	56,594,388	46,565,771	13,435,512	12,625,542
Total equity	21,186,043	34,576,142	(13,337,242)	52,081,771
Total capital	77,780,431	81,141,913	98,270	64,707,313
Gearing ratio	72.76%	57.39%	13,672.04%	19.51%

Pursuant to the requirements of Practice Note No. 17/2005 ("PN17") of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of not less than or equals to twenty-five percent (25%) of the issued and paid-up capital and such shareholders' equity is not less than RM40.0 million. The Group has triggered the PN17 criteria and granted additional temporary relief measures from complying with the obligation under PN17 as at 30 June 2020 as described in Note 34 to the financial statements.

The Group is not subject to any other externally imposed capital requirements.

32. CONTINGENT LIABILITIES

Contingent liabilities - material litigation

The contingent liabilities arise as a result of material litigation as disclosed in Note 33 to the financial statement. The exposures in relation to the litigations have been fully accounted for as liabilities on the statement of financial position except for interest and other costs which may arise upon the conclusion of court judgement.

33. MATERIAL LITIGATION

(i) Badanbas Sdn Bhd ("Badanbas") vs Pengangkutan Awam Putrajaya Travel & Tours Sdn Bhd ("PAPTT")

On 30 November 2018, pursuant to a Writ of Summons and Statement of Claim served on behalf of Badanbas, a Summary Judgment was entered against PAPTT, our 80%-owned subsidiary, for a sum of RM4,298,488 together with interest at the rate of 5% per annum from 26 July 2018 until full settlement for bus maintenance services rendered. Subsequently, PAPTT obtained a Stay of Execution of the judgment and at a hearing held on 23 October 2019 at the Court of Appeal, PAPTT was granted leave to defend and appeal the judgement on the condition that a sum of RM529 is deposited with the Court by 23 November 2019. Badanbas and PAPTT on 7 September 2020, had entered into Consent Judgment whereby PAPTT agreed to pay Badanbas a sum of RM3,769,488 on or before 31 December 2020. In the event that PAPTT fails to pay the said sum of RM3,769,488 or any portion thereof on or before 31 December 2020, the amount due and unpaid shall become immediately payable together with interest thereon at the rate of 5% per annum, calculated from 17 May 2018.

(ii) AmBank Islamic Bhd ("AmBank Islamic") vs Konsortium Bas Ekspres Semenanjung (M) Sdn Bhd ("KBESM") as Borrower, Gets Global Bhd ("GETS") as Guarantor, Santero Sdn Bhd ("Santero") as Indemnitor and Onetexx Sdn Bhd (formerly known as Super Trans Composite Products Sdn Bhd) ("Onetexx") as Chargor in respect of a Multi Trade Finance and Cashline facilities

On 31 May 2019, KBESM was served with a Writ of Summons and Statement of Claim for the sum of RM9,870,257 together with late payment charges, interest as at 17 May 2019 and all other applicable continuing costs, charges and expenses due to AmBank Islamic in relation to amounts owing by KBESM under Islamic Multi Trade Finance and Cashline facilities (the "**AmBank Islamic Claim 1**").

Kuala Lumpur High Court on 23 January 2020 granted AmBank Islamic's application for a Summary Judgment for RM5,105,315 and RM4,764,942 with costs of RM5,000 for each Defendants together with interests until full settlement. KBESM, GETS and Santero (the "**Defendants**") had filed an appeal to the Court of Appeal on 18 February 2020 and subsequently applied for a Stay of Execution on 28 February 2020. The Court on 10 July 2020 dismissed the application for Stay of Execution of judgement with costs of RM10,000.

AmBank Islamic, had also issued a winding up notice dated 13 July 2020 against GETS, pursuant to Section 465(1)(e) to be read with Section 466 (1)(a) of the Companies Act 2016, demanding for payment to be made within 6 months, latest by 13 January 2021.

The hearing for the appeal by the Defendants against the Summary Judgment in the Court of Appeal is fixed on 15 March 2021.

In relation to AmBank Islamic's action against Onetexx as Chargor for AmBank Islamic Claim 1, Kuala Lumpur High Court on 28 February 2020 granted AmBank Islamic's's application for recovery of claim for RM5,105,315 and RM4,764,942 for charge and foreclosure proceeding of properties lot No: 20806, 20807, 20808, 20809, 20817, 20818 and 20819, Mukim Asam Kumbang, Daerah Larut dan Matang, Perak held by Onetexx. The Court on the hearing date for AmBank Islamic's application for direction of auction on 8 July 2020, granted the order for direction of auction for the properties and fixed the date for an auction to be held on 24 September 2020. On 10 September 2020, AmBank Islamic, via its solicitors, had issued a notice of discontinuance of the proceeding with liberty to file afresh and without order to costs, pending settlement to be agreed. AmBank Islamic subsequently, on 16 October 2020, has refiled the above suit to get a further direction from the Court to fix a new auction date for the Properties.

The parties are presently in the midst of negotiating for a settlement.

33. MATERIAL LITIGATION (CONT'D)

(iii) AmBank (M) Bhd ("AmBank") vs GETS as Borrower, and KBESM as Chargor in respect of overdraft facility

On 19 July 2019 GETS was served with a recall of its overdraft facility with AmBank, triggered by a cross-default provision under its facility agreement and subsequently was served with a Writ of Summons and Statement of Claim for the sum of RM3,033,357 ("**Sum**") together with interest thereon to accrue on a daily rest basis at the rate of 3% per annum above the bank's Base Lending Rate till date of full settlement, late payment charges and all other applicable continuing costs, charges and expenses due to AmBank in relation to amounts owing by GETS under the overdraft facility. The Court on 5 June 2020 had allowed the Summary Judgment application filed by AmBank for the Sum, together with interests and costs of RM5,000. GETS subsequently filed an appeal to the Court of Appeal and also an application for a Stay of Execution on 23 June 2020. The hearing for the Stay of Execution application is fixed on 28 September 2020 while the hearing for the appeal is fixed on 13 April 2021. The hearing of the Stay of Execution is subsequently adjourned to 28 October 2020 pending settlement between the parties.

AmBank, had issued a winding up notice dated 2 July 2020 against GETS, pursuant to Section 465(1)(e) to be read with Section 466 (1)(a) of the Companies Act 2016, demanding for payment to be made within 6 months, latest by 8 January 2021.

In respect of the suit brought by AmBank against KBESM for the recovery of the sum of RM 3,033,357 relating to the charge and foreclosure proceeding against property No HS(D) 135115, PTB 13338, Bandar Johor Bharu, Daerah Johor Bahru, Negeri Johor, the Court on 2 January 2020 had granted the application by AmBank for the foreclosure proceeding. The hearing for direction to fix a new auction date which was initially fixed on 29 September 2020, is adjourned to 12 November 2020 to determine a new date for Auction, pending settlement between the parties. This is the final extension of time granted by the Court.

The parties are presently in the midst of negotiating for a settlement.

(iv) Hong Leong Bank Berhad's ("HLBB") vs Super Coach Assembly Plant Sdn Bhd (SCAP") as Borrower, GETS as Guarantor, and KBESM as Chargor in respect of an overdraft and bank guarantee facilities

On 8 July 2019, SCAP, our wholly-owned subsidiary, was served with the notice of recall of facilities. Subsequently it received notification that a judgement-in-default ("**JID**") had been obtained by HLBB on 17 September 2019 in relation to Writ of Summons and Statement of Claims issued on 9 August 2019 for a sum of RM2,999,419 (as of 8 July 2019) together with interest thereon to accrue on a daily rest basis at the rate of 3% per annum above HLBB's Base Lending Rate from 9 July 2019 till date of full settlement, late payment charges and all applicable continuing cost, charges and expenses due to plaintiff in relation to amounts owing by SCAP under the overdraft facility, plus contingent amount owing under the bank guarantee facility for the sum of RM799,000 with interest of 3.5% per annum from the date of payment to the beneficiaries until full settlement with costs of RM1,500 should any pay-out be made under the guarantee. On the understanding that the bank will not execute the JID pending finalisation of a settlement agreement with our Group, SCAP did not contest the JID.

SCAP on 7 October 2020 has paid HLBB for full and final settlement of the oustanding borrowing with HLBB.

33. MATERIAL LITIGATION (CONT'D)

(v) HLBB suits vs KBESM as Borrower and GETS as Guarantor in respect of term loan facility

On 7 July 2019, KBESM was served with a Writ of Summons and Statement of Claim for the sum of RM2,840,105 together with interest thereon to accrue on a daily rest basis at the rate of 3% per annum above HLB's Base Lending Rate till date of full settlement, late payment charges and all other applicable continuing costs, charges and expenses due to HLBB in relation to amounts owing by KBESM under a Term Loan facility. The Court on 25 February 2020 awarded a Summary Judgment for the sum of RM2,840,105, interests and costs of RM5,000 in favour of HLBB. KBESM subsequently on 20 March 2020 filed an appeal to the Court of Appeal and an application for a Stay of Execution. KBESM's application for Stay of Execution was however dismissed on 17 August 2020. The hearing for the appeal in Court of Appeal is fixed on 31 March 2021.

In respect of the suit brought by HLBB against KBESM for the recovery of the sum of RM2,840,150, the Court on 11 June 2020 had granted an Order for Sale for the properties held under Pajakan Negeri 196598, 196599, 196600, 196601, 196602, 196603 and 196604, Lot No. 20810, 20811, 20812, 20813, 20814, 20815 and 20816, Mukim Asam Kumbang, Daerah Larut & Matang, Negeri Perak. HLBB had filed the Notice of Application on 28 September 2020 to fix a new auction date for the said Properties.

KBESM on 7 October 2020 has paid HLBB for full and final settlement of the oustanding borrowing with HLBB. HLBB had filed the Notice of Application on 28 September 2020 to fix a new auction date for the said Properties.

(vi) Sinar Jernih Sdn Bhd ("Sinar Jernih") vs Pengangkutan Awam Putrajaya Travel & Tours Sdn Bhd ("PAPTT")

On 22 March 2019, PAPTT was served with a Writ of Summons and Statement of Claims for an amount of RM1,252,368 by Sinar Jernih for the supply of cleaning services to premises owned by Perbadanan Putrajaya ("**PPJ**") at Presint 7, Putrajaya Sentral and Park & Ride, Presint 9 Bus depot and Presint 4 Multistorey Car Park over a period of 24 months under a contract dated 28 February 2017. Subsequently, PAPTT had received a notification that a judgment-in-default of Defence ("**JID**") had been obtained by Sinar Jernih on 29 April 2019 with costs of RM2,044 and the sum of RM1,252,368 (as of 30 April 2018) with interest of 5% per annum from the date of judgment until full settlement. At the hearing on 20 August 2019, PAPTT's application to set aside the JID was not successful. A new firm of solicitors has been appointed to appeal against the decision of the High Court. However, PAPTT's appeal was disallowed on the basis that time to appeal had lapsed.

Presently, PAPTT has yet to settle the outstanding amount owed to Sinar Jernih and is in the midst of negotiating a settlement.

(vii) Transit Solution Sales & Services Sdn Bhd ("TSSSB") vs PAPTT

PAPTT, on 5 February 2020, received a Writ of Summons and Statement of Claim for an outstanding amount of RM328,880 as at 7 November 2019, at the interest rate of 5% per annum & costs. TSSSB's Summary Judgment application was however dismissed by the Sessions Court on 7 August 2020 with costs in cause. TSSSB then filed a Notice of Appeal to appeal against the decision of the Sessions Court and the case management for the appeal in High Court has been fixed on 27 October 2020. In the event the High Court dismisses TSSSB's appeal on the decision relating to the Summary Judgment, the case will proceed with full trial in the Sessions Court on 21 & 23 December 2020.

33. MATERIAL LITIGATION (CONT'D)

(viii) Khinas Resources Sdn Bhd ("KRSB") vs PAPTT

On 19 February 2019, PAPTT was served with a Writ of Summons and Statement of Claims for an amount of RM890,905 ("**Sum**") by KRSB. The amount was claimed in respect of cleaning and maintenances services said to have been supplied at 101 bus stop locations in Putrajaya and at a Park & Ride facility in Presint 14 owned by PPJ over the period 1 May 2015 to 1 May 2017. On 23 September 2019, the Sessions Court awarded a Summary Judgement in favour of KRSB for the Sum, together with interest of 5% per annum on the Sum and with costs of RM1,500. PAPTT, via the newly appointed solicitors, had filed appeal against the decision but the appeal was disallowed on the basis that time to appeal had lapsed. PAPTT, on 15 September 2020 received a demand from KRSB for settlement of a total sum of RM893,905 (RM893,905 being the Sum and costs of RM3,000) and interest at 5% per annum of the claim amount to be paid within 48 hours from the date of the receipt of the letter. PAPTT has instructed solicitor to negotiate settlement terms.

(ix) Raisevest Sdn Bhd ("Raisevest") vs PAPTT

On 9 March 2018, PAPTT was served with a Writ of Summons and Statement of Claim for an amount of RM536,363 by Raisevest. The amount was claimed in respect of part of services said to be rendered under a contract dated 30 June 2010 for the supply, installation, development, commissioning and maintenance of an Advance Public Transport System and Automatic Parking System. The original total contract value was RM25,139,102. On 12 July 2019, pursuant to a hearing held on 27 May 2019 at the Kuala Lumpur Sessions Court, judgement was delivered in favour of Raisevest for the amount of the claim, plus interest at the rate of 5% from the date of judgement till date of final settlement and costs of the action amounting to RM6,000. PAPTT, via its newly appointed solicitors, filed the application to file the Record of Appeal in High Court, but the same was subsequently dismissed by High Court with costs of RM3,000, as it was filed out of time. PAPTT has subsequently appealed the decision of the High Court to Court of Appeal. The hearing of the appeal in Court of Appeal is fixed on 11 February 2021.

Raisevest had obtained a Garnishee Order dated 23 September 2019 wherein Raisevest had received the sum of RM138,845.33 from PAPTT. PAPTT was served with a sealed copy of a winding-up petition pursuant to the Sessions Court Order dated 12 July 2019 claiming for the remaining balance amount of RM415,476, inclusive of interests and costs previously awarded by the Sessions Court. PAPTT has instructed its solicitors to oppose the winding-up petition and also to file for stay of proceeding of the Sessions Court Order dated 12 July 2019, pending the disposal of PAPTT's appeal to Court of Appeal against the decision of High Court for dismissing its initial appeal. The hearing for the stay of proceeding and the winding up petition which was initially fixed on 6 October 2020, was adjourned upon PAPTT's request pending settlement between the parties. The next case management is fixed on 2 December 2020 to update the Court on the status of the settlement.

(x) Zam O' Lima Sdn Bhd ("Zam") vs PAPTT

On 18 March 2019, PAPTT was served with a Writ of Summons and Statement of Claims by Zam for the amount of RM426,525. The amount was claimed in respect of the supply and maintenance of bus tyres said to have been provided for a period of 12 months from 28 March 2016. A JID was obtained by Zam at the Bandar Baru Bangi Sessions Court on 16 April 2019 for the sum of RM426,525 with costs of RM1,276. Subsequently, an application to set aside the JID was rejected by the court on 19 August 2019, with costs of RM500. PAPTT, via its newly appointed solictors, filed an appeal against the decision but the appeal was disallowed on the basis that time to appeal had lapsed. PAPTT on 29 June 2020, was issued with a winding up notice pursuant to Section 465(1)(e) to be read with Section 466 (1)(a) of the Companies Act 2016, by Zam for an alleged outstanding amount of RM427,706.

PAPTT, via its solicitors, has immediately, on even date, replied and disputed the said notice. PAPTT's solicitors firmly states that the notice is bad, invalid and/or unenforceable in the eyes of the law and further states that the winding up proceeding is not proper because PAPTT intends to file an appeal against the judgement/order which gives rise to the alleged sum in question and/or file such other necessary application/proceeding to set aside the said judgment. At present, the petition for winding up has yet to be issued against PAPTT.

33. MATERIAL LITIGATION (CONT'D)

(xi) Moza Securities Sdn Bhd ("Moza") vs PAPTT

On 11 January 2019, PAPTT was served with a Writ of Summons and Statement of Claim by Moza for an amount of RM380,811. The amount was claimed in respect of services said to have been rendered pursuant to two contracts for the supply of security services to premises owned by PPJ located at Depoh Nadi Putra, Jalan P9, Presint 9, Putrajaya. The period for the first contract was from 1 September 2014 to 31 August 2016 and the period for the second contract was from 1 September 2016 to 31 August 2017. On 17 September 2019. Moza's action was struck off by the Shah Alam Sessions Court with leave to file afresh.

On 1 October 2019, PAPTT had been served with a Writ of Summons dated 25 September 2019 and Statement of Claims filed by Moza for an amount of RM380,811. The Court had granted Moza's Summary Judgment application for the sum of RM380,811, interests and costs of RM3,000 and PAPTT is presently in the midst of appealing against the decision to the High Court. The Record of Appeal was filed by PAPTT on 4 September 2020. Based on the case management 13 October 2020 the hearing for the appeal is fixed on 1 December 2020.

(xii) Arcadis Consultancy Sdn Bhd ("Arcadis") vs KBESM

On 4 July 2019, KBESM was served with a writ of summon and Statement of Claim by Arcadis for an amount of RM303,249 in respect of services provided for conducting and preparing a Health Check Review & Turnaround Strategy for KBESM and RM95,400 for conducting and preparing a Business Review & Due Diligence Exercise for PAPTT. KBESM filed a counterclaim, claiming for, amongst others, a refund of RM53,000 and losses from being unable to take full advantage of the Health Check Review Contract and Business Review Contract. The Court, on 10 June 2020, had partially granted the Plaintiff's claim against KBESM in the sum of RM222,689 with costs of RM10,000 and dismissed KBESM's counterclaim. KBESM subsequently filed the Notice of Appeal on 23 June 2020. The date of hearing for leave to file the Record of Appeal out of time has been fixed on 3 November 2020. Arcadis on 13 October 2020 served a Notice Garnishee Order whereby the Show Cause Hearing has been fixed by the Court on 3 November 2020.

(xiii) Hino Motor Sales (M) Sdn Bhd ("HSMSB") vs Super Coach Assembly Plant Sdn Bhd ("SCAP")

On 14 July 2020, SCAP had received a Writ of Summons and Statement of Claim from HSMSB claiming for RM1,251,307 (as of 29 May 2020), as well as interests of 11% per annum on RM1,102,800 (from 30 May 2020 until date of judgment), 5% interest per annum on RM1,102,800 (from the day after the date of judgment until full settlement), together with costs ("**Claim**"). The Claim is in respect of the purchase of 4 units HINO chassis from HSMSB between June and October 2018. SCAP is currently negotiating a settlement with HSMSB. The next case management is fixed on 4 November 2020 to update the court on the settlement.

Exposures in relation to the above litigations have been fully accounted for as liabilities on the statement of financial position except for interest and other costs that may be included in the court judgements.

34. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) The Global crisis – COVID-19 outbreak

The directors of the Company are of the opinion that the outbreak of the COVID-19 may affect the business performance and position of the Company mainly due to travel and movement restriction and other precautionary measures imposed by relevant local authorities that resulted in delays in commencement of work and delivery of products to customers. This was followed by the Government of Malaysia issuing a Gazetted Order as the Movement Control Order ("MCO") which was effective for the period from 18 March 2020 to 3 May 2020 and Conditional Movement Control Order ("CMCO") from 4 May 2020 to 6 June 2020. Subsequently Recovery Movement Control Order ("RMCO") was gazetted which is effective for the period from 10 June 2020 to 31 December 2020. Currently, the federal government has reimposed CMCO in number of states in Malaysia. Meanwhile, due to inherent nature and unpredictability of future development of the virus and market sentiment, the extent of the impact depends on:

(i) ongoing precautionary measures introduced by each country to address this pandemic; and

(ii) the durations of the pandemic.

Accordingly the management has considered the possible financial impact of the COVID-19 pandemic to the financial statement to the best of their knowledge. The directors will continue to monitor the situations and respond proactively to mitigate the impact on the Company's financial performance and financial position.

(b) Triggered of Practice Note 17("PN17") and Practice Note 17 Relief Measures ("PN17 Relief Measures")

On 30 June 2020, the Company announced that it has triggered the Prescribed Criteria of paragraph 2.1(e) of Practice Note 17 ("PN17") pursuant to paragraph 8.04(2) of the Main Listing Requirements ("MMLR") whereby its shareholders' equity as at 31 March 2020 of RM31.156 million is less than 50% of its share capital of RM69.145 million and the auditors have highlighted a material uncertainty related to going concern in its latest audited financial statement for the financial period ended 30 June 2019.

Pursuant to the Bursa Malaysia's Circular dated 16 April 2020: Additional Temporary Relief Measures To Listed Issuer, Bursa will be granting affected listed issuers that triggers any of the following criteria under PN 17 of the MMLR ("Suspended Criteria") from 17 April 2020 to 30 June 2021 ("Relief Period") relief from complying with the obligations under paragraph 8.04 and PN17:

(i) its shareholders' equity on a consolidated basis is 25% or less of its share capital (excluding treasury shares) and such shareholders' equity is less than RM40 million;

(ii) auditors have highlighted a material uncertainty related to going concern or expressed a qualification on the listed issuer's ability to continue as a going concern in its latest audited financial statements and its shareholders' equity on a consolidated basis is 50% or less of its share capital (excluding treasury shares); and

(iii) default in payment by the listed issuers, its major subsidiary or major associated company, as the case may be, as announced pursuant to paragraph 9.19A of the MMLR and the listed issuer is unable to provide a solvency declaration to the Exchange.

As the Company has triggered the above Suspended Criteria (ii) during the Relief Period, the Company has been granted a relief from complying with the obligations under the paragraph 8.04(2) and Practice Note 17 ("PN17") of the Main Market Listing Requirements ("PN17 Relief Measures") for a period of 12 months from the date of triggering the criteria.

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

(b) <u>Triggered of Practice Note 17("PN17") and Practice Note 17 Relief Measures ("PN17 Relief Measures")</u> (cont'd)

Under the PN17 Relief Measures:

(i) the Company will not be classified as a PN17 listed issuer and will not be required to comply with the obligations pursuant to paragraph 8.04 and PN17 of the MMLR for a period of 12 months from the date of triggering the criteria;

(ii) the Company is still required to make an immediate announcement that it has triggered the Suspended Criteria and the relief provided ("Relief Announcement").

(iii) Upon the expiry of the 12 months from the Relief Announcement, the Company must re-assess its condition and announce whether it continues to trigger any of the criteria in PN17 of the MMLR ("said Announcement").

(iv) if the Company continues to trigger any of the criteria in PN17 of the MMLR, it will then be classified as a PN17 listed issuer and must comply with all the obligations under paragraph 8.04 and PN17 of the MMLR, including the obligation to submit a regularisation plan to the relevant authorities within 12 months from the said Announcement.

35. SUBSEQUENT EVENTS

(a) <u>Proposed private placement of 158,000,000 new Placement Shares at an issue price of RM0.55 per Placement Share</u>

The Company, had on 8 September 2020, entered into separate subscription agreements with ADA Capital Investments Limited ("ADA Capital") ("Subscription Agreement I"), Beh Boon Seong ("Subscription Agreement II"), Tan Chai Chek ("Subscription Agreement III") and Chua Choy Guan ("Subscription Agreement IV") (collectively referred to as the "Investors") whereby the Investors will subscribe for an aggregate amount of 158,000,000 Placement Shares at an issue price of RM0.55 per Placement Share, to be satisfied in full via cash in accordance with the terms and conditions of the respective Subscription Agreements.

(b) <u>Proposed diversification of the existing principal activities of GETS and its subsidiaries ("GETS Group" or the "Group") to include manufacturing, sales and marketing of gloves and other related activities ("Gloves Business")</u>

On 25 August 2020, the Board has identified the Gloves Business as a new business segment for the Group to diversify into and expand its income stream, thereby reducing the Group's reliance on the existing bus operations. As such, the Board is of the view that the Proposed Diversification allows the Group to capitalise on the favourable long-term prospects of the glove industry.

Pursuant to the Proposed Diversification, the Group intends to construct a new glove manufacturing plant which has an estimated built up area of 520,000 sq ft and is capable of housing up to 12 glove-dipping lines on the industrial land currently owned by the Group to undertake the Gloves Business. Subject to obtaining shareholders' approval for the Proposals at an forthcoming EGM to be convened, the construction of the aforesaid glove manufacturing plant is expected to commence by the fourth quarter of this year and will commence commercial operations by the second quarter of year 2021.

36. GENERAL INFORMATION

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

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as stated in Note 15 to the financial statements.

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

The registered office of the Company is located at No. 9, Jalan Bayu Tinggi 2A/KS6, Taipan 2, Batu Unjur, 41200 Klang, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 22, Tingkat 1, Jalan Medan Kamunting Jaya 2, Medan Kamunting Jaya, 34600 Kamunting, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 30 October 2020.

LIST OF
GROUP PROPERTIES

Location	Description/ Existing Use	Tenure	Land Area	Approximate Age of Building	Net Book Value as at 30/6/2020 (RM)	Date of Last Valuation	Date of Acquisition
HS(D) 135115 PT NO. 13338 Bandar Johor Bahru District of Johor Bahru State of Johor	Factory cum Office	60 years leasehold expiring on 19 Nov 2046	81,947.25 sq. ft.	11 years	4,400,000	1 Sep 2020	21 Dec 2005
PN No. 196598 - 196604 Lot No. 20810 - 20816 Mukim Asam Kumbang Daerah Larut and Matang Perak Darul Ridzuan	Factory cum Office	99 years leasehold expiring on 7 Dec 2097	359,202 sq. ft.	21 years	29,000,000	21 Aug 2020	28 Jul 2006
Unit 1.08 Kompleks Tun Abd Razak held under HBM 2 PTTL/A/255 Bandar Georgetown - Sek. 17 Daerah Timur Laut, Pulau Pinang.	Office Space	99 years leasehold expiring on 1 Apr 2080	203 sq. ft.	37 years	50,000	29 Sep 2020	15 May 1980
Lot No. 9649 Township of Johore Bahru District of Johore Bahru	Vacant land	99 years leasehold expiring on 7 Oct 2069	1,750 sq. ft.	N/A	16,506	N/A	5 Nov 1984
PT 11531 to PT 11534 (inclusive) and PT 11542 to PT 11544 (inclusive) All in the Mukim Asam Kumbang, Daerah Larut dan Matang, Perak.	Factory cum Office	99 years leasehold expiring on 7 Dec 2097	354,036 sq. ft.	18 years	19,000,000	21 Aug 2020	24 Jul 1997
7-14-B, Blok B, Larkin Indah Aprtment, Jalan Datin Halimah, 81200 Larkin, Johor Bahru, Johor	Apartment	99 years leasehold expiring on 6 Aug 2102	1,082 sq.ft	9 years	220,000	8 Oct 2020	2 Feb 2010

ANALYSIS OF SHAREHOLDINGS

Total Number of Issued Shares	:	126,000,000
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for every Ordinary Share
No. of Shareholders	:	2,166

DISTRIBUTION SCHEDULE

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	16	0.74	512	0.00
100 to 1,000	450	20.78	357,137	0.28
1,001 to 10,000	1,042	48.10	5,563,700	4.42
10,001 to 100,000	530	24.47	17,422,200	13.83
100,001 to less than 5% of issued shares	127	5.86	62,500,010	49.60
5% and above of issued shares	1	0.05	40,156,441	31.87
Total	2,166	100.00	126,000,000	100.00

SUBSTANTIAL SHAREHOLDERS AS AT 16 OCTOBER 2020

	Direct Interest	
Name of shareholders	No. of shares	%
Teong Lian Aik	40,156,441	31.87
Datuk Che Azizuddin bin Che Ismail	7,511,100	5.96

DIRECTORS’ SHAREHOLDINGS AS AT 16 OCTOBER 2020

	Direct Interest	
Name of shareholders	No. of shares	%
Datuk Che Azizuddin bin Che Ismail	7,511,100	5.96
Datuk Mat Noor bin Nawi	–	–
Dato’ Rosli bin Sharif	–	–
Dato’ Ridza Abdoh bin Haji Salleh	–	–
Dominic Aw Kian-Wee	–	–

THIRTY (30) LARGEST SHAREHOLDERS
(As per Record of Depositors)

No	Name of Shareholders	No. of Shares Held	% of Issued Capital
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR ARECA CAPITAL SDN BHD	40,156,441	31.87
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHE AZIZUDDIN BIN CHE ISMAIL (SMART)	5,315,000	4.22
3	PHUAH SEOW SENG	3,500,000	2.78
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	2,340,000	1.86
5	PHUAH WOON CHEK	2,337,400	1.86
6	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR CHE AZIZUDDIN BIN CHE ISMAIL (TERM)	2,196,100	1.74
7	LOW BOK SANG	2,100,000	1.67
8	ONG LEH ENG	1,861,000	1.48
9	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM KHEK KENG (E-TAI)	1,660,000	1.32
10	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR IBRAHIM BIN HAMZAH	1,600,800	1.27
11	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	1,535,400	1.22
12	LOW BOK SANG	1,300,000	1.03
13	ZALEHA BINTI PARMAN	1,210,000	0.96
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD NG WING HEE	1,199,000	0.95
15	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NIK SALIZA BINTI NIK MUHAMMED(CCTS)	979,400	0.78

THIRTY (30) LARGEST SHAREHOLDERS (CONT'D)

(As per Record of Depositors)

No	Name of Shareholders	No. of Shares Held	% of Issued Capital
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD LAW SIAU WOEI	900,000	0.71
17	TEH CHOON SIANG	850,000	0.67
18	TAN YOU LOON	845,000	0.67
19	PHUAH SZE YING	840,000	0.67
20	LIM SENG LEE	800,000	0.63
21	TAN KONG LEONG	774,600	0.61
22	CHOOI HENG YUEN	725,000	0.58
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	700,000	0.56
24	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SENG YONG	692,000	0.55
25	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ROZIAH BINTI ABD AZIZ (SMT)	682,000	0.54
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SECRET RECIPE CAKES & CAFE SDN BHD (E-SS2)	673,500	0.53
27	SJ SEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAFIDAH BINTI PAWANCHIK (SMT)	627,000	0.50
28	LIM KIM YEW	613,100	0.49
29	BEH CHAN SIN	570,000	0.45
30	MUHAMMAD ARIF BIN MOHD GHANI	557,000	0.44

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