

HELIOS PHOTOVOLTAIC SDN. BHD.
Registration No.: 201001042132 (926060-M)
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023
(In Ringgit Malaysia)

HELIOS PHOTOVOLTAIC SDN. BHD.
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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 2023.

Principal activities

The Company is principally engaged as dealer of solar energy products and rendering construction services. The principal activities of its subsidiaries are disclosed in Note 13 to the financial statements.

Results

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the parent	(366,046)	168,147
Non-controlling interest	(20,342)	-
	<u>(386,388)</u>	<u>168,147</u>

Reserves and provisions

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

Dividends

No dividend has been paid or declared since the end of the previous financial year. The Directors do not recommend any dividend for the financial year ended 30 June 2023.

Directors

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

Dato' Ong Thuan Ming

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

Ng Chun Ee
Wong Chee Ming
Dato' Dr Zuraidi Bin Ishak

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Directors' interests in shares

The shareholdings in the Company and its related corporations of those who were Directors at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016 in Malaysia, are as follows:

	Number of ordinary shares			Balance as at 30.06.2023
	Balance as at 01.07.2022	Bought	Sold	
Direct interest in the Company:				
Dato' Ong Thuan Ming	1,400,000	-	-	1,400,000

By virtue of the Directors' interests in the shares of the Company, the Directors are deemed to have interest in the shares of its subsidiaries and related companies to the extent the Company has interest.

Directors' benefits

Since the end of previous financial year, no director 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 Note 6 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for those disclosed in Note 31 to the financial statements.

There were no arrangements during or at the end of the financial year, which had the object of enabling 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 fee

Director's remuneration of the Group and of the Company during the financial year are RM180,000 respectively.

No Director received fee from the Company during the financial year.

Indemnity and insurance to directors, officers and auditors

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

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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 there are no known bad debts and 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 provisions for doubtful debts inadequate to any substantial extent; 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.

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.

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Other statutory information (continued)

No contingent liability or other liability of the 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 period which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the of the Group and of the Company for the financial year ended 30 June 2023 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 that financial year and the date of this report.

Auditors

The auditors, Messrs PKF PLT, 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 2023 amounted to RM 65,500 and RM 50,000 respectively.

Signed in accordance with the resolution of the Board,



DATO' ONG THUAN MING

Kuala Lumpur

6 March 2026

HELIOS PHOTOVOLTAIC SDN. BHD.
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**STATEMENT BY DIRECTOR PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016
IN MALAYSIA**

I, DATO' ONG THUAN MING, being the sole director of HELIOS PHOTOVOLTAIC SDN. BHD., do hereby state that, in my opinion, and the best of my knowledge and belief, the accompanying financial statements as set out on pages 10 to 61 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 2023 and of their financial performance and their cash flows for the financial year ended on that date.

Signed in accordance with the resolution of the Board,



DATO' ONG THUAN MING

Kuala Lumpur

6 March 2026

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT,
2016 IN MALAYSIA**

I, DATO' ONG THUAN MING, being the sole director primarily responsible for the financial management of HELIOS PHOTOVOLTAIC SDN. BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 10 to 61 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 6 March 2026.)

DATO' ONG THUAN MING

Before me,

COMMISSIONER FOR OATHS



No. 12-1, Jalan 9/23A,
Medan Makmur,
Off Jalan Usahawan, Setapak, 5
53200 Kuala Lumpur.



PKF PLT
202206000012(LLP0030836-LCA) &
AF0911
Level 33, Menara 1MK, Kompleks 1
Mont Kiara, No.1, Jalan Kiara, Mont
Kiara, 50480
Kuala Lumpur, Malaysia

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HELIOS PHOTOVOLTAIC SDN. BHD.**
Registration No.: 201001042132 (926060-M)
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HELIOS PHOTOVOLTAIC SDN. BHD., which comprise the statements of financial position as at 30 June 2023 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 10 to 61.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

We 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 and International 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

PKF PLT is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

PENANG: 67, Jalan Seang Tek, George Town, 10450 George Town, Pulau Pinang | **PERAK:** No. 62, 62A, 62B and 62C, Persiaran Greentown 2, Pusat Perdagangan Greentown, 30350 Ipoh, Perak | **PERAK:** No. 34,36 & 38, 2nd floor, Jalan Raja Permaisuri Bainun, 30250 Ipoh, Perak | **JOHOR:** No.49, Jalan Harimau Tarum, Taman Century, 80250 Johor Bahru, Johor | **SABAH:** Lot 23-1, 1st Floor, Lintas Plaza, Lorong Lintas Plaza, 88300 Kota Kinabalu, Sabah | **SABAH:** 1st floor, Lot 40 (corner), Bandar Nasalim, Mile 5, Jalan Lintas Utara, 90000 Sandakan, Sabah | **LABUAN:** Level 1, Lot 8, Block F, Saguing Commercial Building, Jalan Patau-Patau, 87000 Labuan, F.T

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HELIOS PHOTOVOLTAIC SDN. BHD.**
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Information Other than the Financial Statements and Auditors' Report Thereon (continued)

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concerns, 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.

The Director of the Company is responsible for overseeing the Company's financial reporting process.

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.

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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or 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 statements of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF HELIOS PHOTOVOLTAIC SDN. BHD.**
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Other Matters

- 1 This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report the subsidiaries of which we have not acted as the auditor are disclosed in Note 13 to the financial statements.

PKF PLT

PKF PLT.
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NGU SIOW PING

NGU SIOW PING
03033/11/2027 J
CHARTERED ACCOUNTANT

Kuala Lumpur

6 March 2026

HELIOS PHOTOVOLTAIC SDN. BHD.
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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	3	243,019	7,098,049	102,810	611,371
Cost of sales		(110,819)	(5,324,753)	(77,577)	(337,758)
Gross profit		132,200	1,773,296	25,233	273,613
Other income	4	2,199,844	2,952,334	2,005,386	308,278
Administrative expenses		(2,327,984)	(6,118,150)	(1,931,962)	(2,447,869)
Net (loss)/gain on financial assets		-	(942)	433,832	187,932
Profit/(Loss) from operations	5	4,060	(1,393,462)	532,489	(1,678,046)
Finance costs	7	(370,830)	(402,799)	(364,342)	(381,678)
(Loss)/Profit before tax		(366,770)	(1,796,261)	168,147	(2,059,724)
Tax expense	8	(19,618)	(2,842)	-	-
(Loss)/profit for the financial year		(386,388)	(1,799,103)	168,147	(2,059,724)
Other comprehensive loss, net of tax					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Currency translation differences		(77,091)	(25,067)	-	-
Total comprehensive (loss)/income for the financial year		(463,479)	(1,824,170)	168,147	(2,059,724)
Loss for the financial year attributable to:					
Owners of the parent		(366,046)	(1,785,443)		
Non-controlling interest		(20,342)	(13,660)		
		(386,388)	(1,799,103)		
Total comprehensive loss for the financial year attributable to:					
Owners of the parent		(443,137)	(1,810,510)		
Non-controlling interest		(20,342)	(13,660)		
		(463,479)	(1,824,170)		

HELIOS PHOTOVOLTAIC SDN. BHD.
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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	9	4,139,631	4,362,844	4,139,631	4,362,844
Right of use assets	10	289,613	292,143	160,525	160,525
Investment properties	11	-	3,584,708	-	-
Land usage rights	12	4,500,000	4,590,000	-	-
Investment in subsidiaries	13	-	-	-	-
Goodwill on consolidation	14	-	-	-	-
Investment in associate	15	-	-	-	-
		8,929,244	12,829,695	4,300,156	4,523,369
Current assets					
Trade receivables	16	-	-	-	-
Contract assets	17	106,575	-	-	-
Non-trade receivables, deposits and prepayments	18	226,692	150,457	137,870	132,465
Amount due from subsidiaries	19	-	-	-	-
Amount due from related party	20	2,687	471	-	-
Amount due from Directors	21	4,516,562	2,239,065	1,167,466	1,750,488
Fixed deposits with licensed banks	22	-	2,409,764	-	2,409,764
Cash and bank balances		151,714	113,528	55,552	21,619
		5,004,957	4,913,285	1,360,888	4,314,336
TOTAL ASSETS		13,933,474	17,742,980	5,661,044	8,837,705

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STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2023 (CONTINUED)

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	23	1,400,000	1,400,000	1,400,000	1,400,000
Accumulated losses		(1,201,451)	(835,406)	(8,141,324)	(8,309,471)
Translation reserve	24	(26,383)	50,708	-	-
		172,166	615,302	(6,741,324)	(6,909,471)
Non-controlling interest		(42,025)	(21,683)	-	-
Total equity		130,141	593,619	(6,741,324)	(6,909,471)
Non-current liabilities					
Lease liability	25	146,504	147,166	-	-
Deferred tax liabilities	26	1,209,600	1,209,600	-	-
		1,356,104	1,356,766	-	-
Current liabilities					
Trade payables	27	2,286,084	2,256,154	1,993,862	1,974,432
Non-trade payables and accruals	28	2,251,790	2,497,398	1,607,431	1,815,880
Contract liabilities	17	-	55,481	-	55,481
Amount due to subsidiaries	19	-	-	1,021,345	1,027,150
Bank overdraft	29	3,693,691	6,788,194	3,693,691	6,788,194
Lease liability	25	162,251	162,251	161,679	161,679
Tax payable		4,053,413	4,033,117	3,924,360	3,924,360
		12,447,229	15,792,595	12,402,368	15,747,176
Total liabilities		13,803,333	17,149,361	12,402,368	15,747,176
TOTAL EQUITY AND LIABILITIES		13,933,474	17,742,980	5,661,044	8,837,705

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	← Attributable to owners of the parent →			Total RM	Non- controlling interest RM	Total equity RM
	Share capital RM	Translation reserve RM	Distributable Retained profits/ (Accumulated losses) RM			
Group						
At 1 July 2021	1,400,000	75,775	950,037	2,425,812	(8,023)	2,417,789
Foreign currency translation differences for foreign operations	-	(25,067)	-	(25,067)	-	(25,067)
Loss for the financial period	-	-	(1,785,443)	(1,785,443)	(13,660)	(1,799,103)
Total comprehensive loss for the financial period	-	(25,067)	(1,785,443)	(1,810,510)	(13,660)	(1,824,170)
At 30 June 2022	1,400,000	50,708	(835,406)	615,302	(21,683)	593,619

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

	← Attributable to owners of the parent →			Total RM	Non- controlling interest RM	Total equity RM
	Share capital RM	Translation reserve RM	Accumulated losses RM			
Group						
At 1 July 2022	1,400,000	50,708	(835,406)	615,302	(21,683)	593,619
Foreign currency translation differences for foreign operations	-	(77,091)	-	(77,091)	-	(77,091)
Loss for the financial period	-	-	(366,046)	(366,046)	(20,342)	(386,388)
Total comprehensive loss for the financial period	-	(77,091)	(366,046)	(443,137)	(20,342)	(463,479)
At 30 June 2023	1,400,000	(26,383)	(1,201,451)	172,166	(42,025)	130,141

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**STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

	Non- distributable Share capital RM	Distributable Accumulated losses RM	Total RM
Company			
At 1 July 2021	1,400,000	(6,249,747)	(4,849,747)
Total comprehensive loss for the financial year	-	(2,059,724)	(2,059,724)
At 30 June 2022/ 1 July 2022	1,400,000	(8,309,471)	(6,909,471)
Total comprehensive income for the financial year	-	168,147	168,147
At 30 June 2023	<u>1,400,000</u>	<u>(8,141,324)</u>	<u>(6,761,324)</u>

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
(Loss)/profit before tax		(366,770)	(1,796,261)	168,147	(2,059,724)
Adjustments for:					
Depreciation of property, plant and equipment		223,213	246,018	223,213	246,019
Depreciation of right-of-use assets		323,580	253,129	321,049	250,598
Depreciation of investment properties		38,784	85,853	-	-
Amortisation of land usage rights		90,000	90,000	-	-
Gain on disposal of property, plant and equipment		-	(229,997)	-	(229,997)
Gain on disposal of investment property		(162,909)	-	-	-
Income from fixed deposit		-	-	(95,386)	-
Reversal of impairment loss on non-trade receivables		(1,910,000)	(48,000)	(1,910,000)	(48,000)
Impairment loss on:					
- non-trade receivables		-	461,601	-	461,601
- related parties		-	942	-	942
Reversal of impairment loss on:					
- amount due from subsidiaries		-	-	(433,832)	(188,875)
- trade receivables		-	(5,453,527)	-	(5,419,250)
Non-trade receivable written off		56,320	-	-	-
Prepayment written off		-	-	-	448,039
Deposit written off		15,192	-	15,192	266,106
Waiver of debts:					
- trade		-	(4,761)	-	-
- non-trade		-	(2,627,026)	-	-
Work-in-progress written off		-	-	41,128	74,366
Interest income		(95,389)	(28,768)	(95,386)	(25,386)
Interest expense		357,869	375,436	357,869	375,436
Interest on lease liability		12,961	27,363	6,473	6,242
Operating (loss)/profit before working capital changes		(1,416,119)	(8,647,998)	(1,306,147)	(5,841,884)

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Operating (loss)/profit before working capital changes		(1,416,119)	(8,647,998)	(1,306,147)	(5,841,884)
(Increase)/decrease in receivables		1,762,253	7,074,811	1,848,275	4,867,698
Increase in contract assets		(106,575)	-	-	-
Increase/(decrease) in contract liability		(55,481)	(1,946,164)	(55,481)	(48,656)
Amount due to director		2,898,833	-	-	-
Decrease/(Increase) in payables		(215,000)	3,052,882	(189,019)	507,853
Cash used in operations		2,867,399	(466,469)	297,628	(514,761)
Income tax refunded		-	-	-	356,761
Interest paid		(357,869)	(375,436)	(357,869)	(375,436)
Net cash used in operating activities		2,509,530	(841,905)	(60,241)	(533,664)
Cash flows from investing activities					
Interest received		95,389	28,768	95,386	25,386
Upliftment of fixed deposits with licensed banks		2,001,136	-	2,409,764	452,892
Proceeds from disposal investment property		810,000	-	-	-
Proceeds from disposal of property, plant and equipment		-	230,000	-	230,000
Net cash from investing activities		2,906,525	258,768	2,505,150	708,278

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**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023 (CONTINUED)**

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Repayment of lease liabilities		(334,672)	(292,799)	(327,522)	(271,048)
Repayment of overdraft		-	452,892	-	-
Advances to related parties		(2,216)	(1,413)	-	(942)
Repayment to directors		(2,277,497)	(85,299)	583,022	(83,849)
Advances to subsidiaries		-	-	428,027	161,875
Net cash used in financing activities		<u>(2,614,385)</u>	<u>73,381</u>	<u>683,527</u>	<u>(193,964)</u>
Net (decrease)/increase in cash and cash equivalents		2,801,152	(509,756)	3,128,436	(19,349)
Cash and cash equivalents at 1 April 2021/2020		(6,266,038)	(5,740,367)	(6,766,575)	(6,338,598)
Effect of currency translation changes		(77,091)	(15,915)	-	-
Cash and cash equivalents as at end of period/year		<u>(3,541,977)</u>	<u>(6,266,038)</u>	<u>(3,638,139)</u>	<u>(6,357,947)</u>

(i) Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following amounts:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	151,714	113,528	55,552	21,619
Bank overdraft (Note 29)	(3,693,691)	(6,788,194)	(3,693,691)	(6,788,194)
Fixed deposits with licensed banks (Note 21)	-	408,628	-	408,628
	<u>(3,541,977)</u>	<u>(6,266,038)</u>	<u>(3,638,139)</u>	<u>(6,357,947)</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”) and the requirements of the Companies Act, 2016 in Malaysia. The financial statements of the Group and of the Company comply with MFRS 101 and IAS 1, *Presentation of Financial Statements*.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as a going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

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

(a) Standards issued and effective

On 1 July 2022, the Group and the Company have also adopted the following new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2022:

Description

- Amendments to MFRS 16, *Leases: Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Onerous Contracts – Cost of Fulfilling a Contract*

The Director do not expect the adoption of the new and amended MFRSs and interpretation above will have significant impact on the financial statements of the Group and the Company.

(b) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 30 June 2023 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the Group and the Company in the current or future reporting periods.

(c) Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. Basis of preparation (continued)

(d) 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 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 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the 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 and the Company use 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 and Company’s historical observed default rates. The Group and the Company 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) Impairment of Land Usage Rights

The Group assesses the land usage rights for impairment on an annual basis. This requires an estimation of the value-in-use on land usage rights. Estimating a value-in-use amount requires management to make an estimation of future expected cash flows from the usage of land and to apply suitable discount rates in order to calculate the present value of these future expected cash flows. The carrying amount of land usage rights as at 30 June 2021 is RM4,680,000. More regular reviews are performed if events indicate that this is necessary.

Significant judgement is required in the estimation of the present value of cash flows from the usage of land, which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the result of the Group’s tests for impairment of its land usage rights.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(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 reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting 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) Identifying Performance Obligations in a Bundled Sale of Solar Monitoring and Control, and Operations and Maintenance

The Group provides solar monitoring and control services that are either sold separately or bundled together with the operation and maintenance services to a customer.

The Group determined that both the services are capable of being distinct. The fact that the Group has the options for its customer to choose either one of the services or both which indicates that the customer can benefit from both services on their own. Consequently, the Group allocated a portion of the transaction price to the monitoring and control services and the operation and maintenance services based on relative stand-alone selling prices.

(viii) Carrying Amount of Investment in Subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy, or whenever events or changes in circumstances indicate that the carrying amount 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.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

1. Basis of preparation (continued)

(d) Significant accounting estimates and judgements (continued)

(ix) Classification of Finance and Operating Lease

The Group and the Company classify a lease as a finance lease or an operating lease based on the criterion of the extent to which significant risk and rewards incident to ownership of the underlying asset lie. As a lessee, the Group and the Company recognise a lease as a finance lease if it is exposed to significant risks and rewards incident to ownership of the underlying asset. In applying judgements, the Group and the Company consider whether there is significant economic incentive to exercise a purchase option and any optional renewal periods. A lease is classified as a finance lease if the lease term is for at least 75% the remaining economic life of the underlying asset, or the identified asset in the lease is a specialised asset which can only be used by the lessee without major modifications. All other leases that do not result in a significant transfer of risks and rewards are classified as operating leases.

(x) Provision for Liabilities

Provision for liabilities are based on management's judgement on the likelihood of liabilities crystallising and best estimates on the amounts required to settle the liabilities arising from legal and constructive obligations. A change in circumstances which could cause estimates to change include changes in market trends and conditions, regulatory environment, employees' behaviours and other factors that may change the amount of provisions in the statement of financial position. The difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which the change occurs.

(xi) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating units to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

2. Material accounting policy information

The Group has adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies from 1 April 2020. The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Revenue from contracts with customers:				
Contract of solar panel installation	102,810	6,978,575	102,810	611,371
PV solar system – supply of electricity	102,329	75,150	-	-
Revenue from other source:				
Rental income	36,000	27,000	-	-
Other income	1,880	17,324	-	-
	<u>243,019</u>	<u>7,098,049</u>	<u>102,810</u>	<u>611,371</u>

Contract assets and liability and unsatisfied performance obligation are disclosed at Note 17 to the financial statements.

(a) Disaggregation of revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Timing and recognition of revenue from contract with customers				
At a point in time	104,209	92,474	-	-
Over time	138,810	7,005,575	102,810	611,371
	<u>243,019</u>	<u>7,098,049</u>	<u>102,810</u>	<u>611,371</u>

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

3. Revenue (continued)

Contract of solar panel installation

Revenue from EPCC services related to solar photovoltaic systems and power plants is recognised over time in the period in which the services are rendered using the input method, determined based on the proportion of costs incurred for work performed to date over the estimated total costs.

Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the services are rendered 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. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

PV solar system – supply of electricity

Revenue from sale of electricity is recognised over time as customers simultaneously received and consumed the benefits provided by the Group's performance when electricity is delivered based on contractual terms stipulated in respective agreement with customers. The revenue recognised is the amount to which the Group have a right to invoice as it corresponds directly with the value to the customer of the Group's performance that is completed to date.

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4. Other income

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Bad debt recovery – Non-trade	1,910,000	48,000	1,910,000	48,000
Fixed deposit interest income	95,386	5,704	95,386	5,704
Interest income	3	23,064	-	19,682
Gain on disposal of investment properties	162,909	13,782	-	-
Gain on disposal of property, plant and equipment	-	229,997	-	229,997
Waiver of debt				
- Non-trade	-	2,627,026	-	-
- Trade	-	4,761	-	134
Others	31,546	-	-	4,761
	<u>2,199,844</u>	<u>2,952,334</u>	<u>2,005,386</u>	<u>308,278</u>

5. Profit/(Loss) from operations

	Group		Company	
	2023	2022	2023	2022
Loss from operations is arrived at after charging: -				
Auditor's remuneration	65,500	93,257	50,000	50,000
Depreciation of:				
- property, plant and equipment	223,213	246,018	223,213	246,018
- investment properties	38,784	85,853	-	-
- right-of-use assets	323,580	253,129	321,049	250,598
Amortisation of land usage rights	90,000	90,000	-	-
Real Property Gain Tax	7,292	-	-	-
Impairment loss:				
- non-trade receivable	-	461,601	-	461,601
- related party	-	942	-	942
Reversal of impairment loss on:				
- amount due from subsidiaries	-	-	(433,832)	(188,875)
- trade receivables	-	(5,453,527)	-	(5,419,250)
Cash in hand written off	-	122,798	-	-
Work in progress written off	43,128	75,602	41,128	68,222
Property, plant and equipment written off	-	9,223	-	-
Deposit written off	15,192	6,144	15,192	6,144
	<u>2,199,844</u>	<u>2,952,334</u>	<u>2,005,386</u>	<u>308,278</u>

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6. Employee benefits expense

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
(a) Staff costs:				
Salaries, wages, allowance, bonuses and overtime	678,701	1,674,783	359,884	687,297
Contributions to defined contribution plan	49,233	167,836	20,761	73,287
Social security contribution	3,423	10,641	1,059	6,896
Other short-term employee benefits expense	21,557	60,157	2,739	33,307
	<u>752,914</u>	<u>1,913,417</u>	<u>383,443</u>	<u>800,787</u>
(b) Directors' remuneration:				
Salaries, allowance and bonuses	90,000	284,388	90,000	284,388
Contributions to defined contribution plan	-	32,992	-	32,992
Social security contributions	-	846	-	846
	<u>90,000</u>	<u>318,226</u>	<u>90,000</u>	<u>318,226</u>
	<u>842,914</u>	<u>2,231,643</u>	<u>474,443</u>	<u>1,119,013</u>

Included in employee benefits expense of the Group and the Company are cost of sales for project labour amounting to RMnil (2022: RM308,547) respectively.

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7. Finance costs

	Group		Company	
	2023	2022	2023	2022
			RM	RM
Interest expense on:				
- Bank overdraft	357,869	375,436	357,869	375,436
- Lease liabilities	12,961	27,363	6,473	6,242
	<u>370,830</u>	<u>402,799</u>	<u>364,342</u>	<u>381,678</u>

8. Tax expense

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Tax expense				
- current year	<u>19,618</u>	<u>2,842</u>	<u>-</u>	<u>-</u>

Reconciliation of tax expense

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
(Loss)/Profit before tax	<u>(366,770)</u>	<u>(1,796,261)</u>	<u>168,147</u>	<u>(2,059,724)</u>
Income tax calculated using statutory tax rate:				
- Malaysia (24%)	(88,025)	(431,103)	40,355	(494,334)
- Cambodia (20%)	4,313	(25,524)	-	-
- Singapore (17%)	7,851	181,667	-	-
Reduction in statutory tax rate on first RM500,000 chargeable income	-	(1,170)	-	-
Non-deductible expenses	245,779	307,409	133,613	345,213
Non-taxable income	(461,408)	(232,203)	(481,293)	(32,877)
Deferred tax assets not recognised during the year	306,873	203,766	307,325	181,998
Utilisation of unabsorbed capital allowance	4,236	-	-	-
	<u>19,618</u>	<u>2,842</u>	<u>-</u>	<u>-</u>

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023****9. Property, plant and equipment**

Group 2023	Office equipment RM	Furniture and fittings RM	Renovation RM	Test equipment and tools RM	Factory building RM	Solar system RM	Total RM
Cost							
At 1 July 2022	407,935	129,731	1,011,449	235,123	4,240,920	910,259	6,935,417
Effect of foreign exchange	-	-	-	-	-	77,020	77,020
At 30 June 2023	<u>407,935</u>	<u>129,731</u>	<u>1,011,449</u>	<u>235,123</u>	<u>4,240,920</u>	<u>987,279</u>	<u>7,012,437</u>
Accumulated depreciation							
At 1 July 2022	399,704	66,131	548,905	202,278	445,296	277,714	1,940,028
Addition	4,867	12,684	96,304	24,540	84,818	-	223,213
Effect of foreign exchange	-	-	-	-	-	(31,358)	(31,358)
At 30 June 2023	<u>404,571</u>	<u>78,815</u>	<u>645,209</u>	<u>226,818</u>	<u>530,114</u>	<u>246,356</u>	<u>2,131,883</u>

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023****9. Property, plant and equipment (continued)**

Group 2023	Office equipment RM	Furniture and fittings RM	Renovation RM	Test equipment and tools RM	Factory building RM	Solar system RM	Total RM
Accumulated impairment loss							
At 1 July 2022	-	-	-	-	-	683,121	683,121
Effect of foreign exchange	-	-	-	-	-	57,802	57,802
At 30 June 2023	-	-	-	-	-	740,923	740,923
Carrying amount							
At 30 June 2023	8,231	50,916	366,240	8,305	3,710,806	-	4,139,631

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023****9. Property, plant and equipment (continued)**

Group 2022	Office equipme nt RM	Furniture and fittings RM	Renovati on RM	Motor vehicles RM	Test equipme nt and tools RM	Factory building RM	Solar system RM	Total RM
Cost								
At 1 July 2021	448,514	137,536	1,024,048	722,450	235,123	4,240,920	886,591	7,695,182
Disposal	-	-	-	(722,450)	-	-	-	(722,450)
Written off	(40,900)	(7,866)	(12,699)	-	-	-	-	(61,465)
Effect of foreign exchange	321	61	100	-	-	-	23,668	24,150
At 30 June 2022	<u>407,935</u>	<u>129,731</u>	<u>1,011,449</u>	<u>-</u>	<u>235,123</u>	<u>4,240,920</u>	<u>910,259</u>	<u>6,935,417</u>
Accumulated depreciation								
At 1 July 2021	422,159	57,516	460,359	712,323	177,738	360,478	221,233	2,411,806
Charge for the financial period	12,419	12,973	101,145	10,123	24,540	84,818	-	246,018
Disposal	-	-	-	(722,446)	-	-	-	(722,446)
Written off	(35,149)	(4,394)	(12,699)	-	-	-	-	(52,242)
Effect of foreign exchange	275	36	100	-	-	-	5,909	6,320
At 30 June 2022	<u>399,704</u>	<u>66,131</u>	<u>548,905</u>	<u>-</u>	<u>202,278</u>	<u>445,296</u>	<u>227,142</u>	<u>1,889,456</u>

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NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

9. Property, plant and equipment (continued)

Group 2022	Office equipment RM	Furniture and fittings RM	Renovati on RM	Motor vehicles RM	Test equipme nt and tools RM	Factory building RM	Solar system RM	Total RM
Accumulated impairment loss								
At 1 July 2021	-	-	-	-	-	-	665,363	665,363
Effect of foreign exchange	-	-	-	-	-	-	17,754	17,754
At 30 June 2022	-	-	-	-	-	-	683,117	683,117
Carrying amount								
At 30 June 2022	8,231	63,600	462,544	-	32,845	3,795,624	-	4,362,844

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023****9. Property, plant and equipment (continued)**

	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Test equipment and tools RM	Factory building RM	Total RM
Company 2023							
Cost							
At 1 July 2022	407,935	129,731	1,011,449	-	235,123	4,240,920	6,025,158
Disposal	-	-	-	-	-	-	-
At 30 June 2023	<u>407,935</u>	<u>129,731</u>	<u>1,011,449</u>	<u>-</u>	<u>235,123</u>	<u>4,240,920</u>	<u>6,025,158</u>
Accumulated depreciation							
At 1 July 2022	399,704	66,131	548,905	-	202,278	445,296	1,662,314
Charge for the financial year	4,867	12,684	96,304	-	24,540	84,818	223,213
Disposal	-	-	-	-	-	-	-
At 30 June 2023	<u>404,571</u>	<u>78,815</u>	<u>645,209</u>	<u>-</u>	<u>226,818</u>	<u>530,114</u>	<u>1,885,527</u>
Carrying amount							
At 30 June 2023	<u>3,364</u>	<u>50,916</u>	<u>366,240</u>	<u>-</u>	<u>8,305</u>	<u>3,710,806</u>	<u>4,139,631</u>

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AND ITS SUBSIDIARIES**NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023****9. Property, Plant and Equipment (continued)**

	Office equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Test equipment and tools RM	Factory building RM	Total RM
Company 2022							
Cost							
At 1 July 2021	407,935	129,731	1,011,449	722,450	235,123	4,240,920	6,747,608
Disposal	-	-	-	(722,450)	-	-	(722,450)
At 30 June 2022	<u>407,935</u>	<u>129,731</u>	<u>1,011,449</u>	<u>-</u>	<u>235,123</u>	<u>4,240,920</u>	<u>6,025,158</u>
Accumulated depreciation							
At 1 July 2021	387,285	53,158	447,760	712,323	177,738	360,478	2,138,742
Charge for the financial year	12,419	12,973	101,145	10,123	24,540	84,818	246,018
Disposal	-	-	-	(722,446)	-	-	(722,446)
At 30 June 2022	<u>399,704</u>	<u>66,131</u>	<u>548,905</u>	<u>-</u>	<u>202,278</u>	<u>445,296</u>	<u>1,662,314</u>
Carrying amount							
At 30 June 2022	<u>8,231</u>	<u>63,600</u>	<u>462,544</u>	<u>-</u>	<u>32,845</u>	<u>3,795,624</u>	<u>4,362,844</u>

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9. Property, plant and equipment (continued)

9.1 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Bearer plant is accounted for as part of property, plant and equipment. All costs relating to bearer plants are capitalised until such time the bearer plants reach maturity, at which point all further costs are expensed and depreciation commences. Costs to reach maturity include seedling and planting costs, other upkeep costs and an allocation of overhead costs.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative years are as follows:

Office equipment	30%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	20%
Test equipment and tools	20%
Factory building	2%
Solar system	20%

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10. Right-of-use assets

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cost				
At 1 July	472,916	2,223,799	321,049	2,071,932
Additions	321,049	321,049	321,049	321,049
Derecognition	(321,049)	(2,071,932)	(321,049)	(2,071,932)
At 30 June	<u>472,916</u>	<u>472,916</u>	<u>321,049</u>	<u>321,049</u>
Accumulated depreciation				
At 1 July	180,772	1,999,576	160,524	1,981,858
Depreciation	323,580	253,129	321,049	250,598
Derecognition	(321,049)	(2,071,932)	(321,049)	(2,071,932)
At 30 June	<u>183,303</u>	<u>180,772</u>	<u>160,524</u>	<u>160,524</u>
Carrying amount				
At 30 June	<u>289,613</u>	<u>292,143</u>	<u>160,525</u>	<u>160,525</u>

The Company leases office and the contract term ranges from two (2) years with an extension options of renewal of contract.

10.1 Material accounting policy information

Initial measurement

As a lessee

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

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11. Investment properties

Group	Residential units RM	Renovation RM	Furniture and fittings RM	Total RM
2023				
Cost				
At 1 July 2022	4,407,027	38,817	14,368	4,460,212
Disposals	(4,407,027)	(38,817)	(14,368)	(4,460,212)
At 30 June 2023	-	-	-	-
Accumulated depreciation				
At 1 July 2022	460,864	28,142	8,979	497,985
Charge for the financial period	36,125	1,941	718	38,784
Disposals	(496,989)	(30,083)	(9,697)	(536,769)
At 30 June 2023	-	-	-	-
Accumulated impairment				
At 1 July 2022	380,300	-	-	380,300
Disposals	(380,300)	-	-	(380,300)
At 30 June 2023	-	-	-	-
Carrying amount	-	-	-	-
Fair value	-	-	-	-

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11. Investment properties (continued)

Group	Residential units RM	Renovation RM	Furniture and fittings RM	Total RM
2022 Cost				
At 1 July 2021 / 30 June 2022	4,407,027	38,817	14,368	4,460,212
Accumulated depreciation				
At 1 July 2021	377,548	24,260	7,543	409,351
Charge for the financial period	80,535	3,882	1,436	85,853
At 30 June 2022	458,083	28,142	8,979	495,204
Accumulated impairment				
At 1 July 2021 / 30 June 2022	380,300	-	-	380,300
Carrying amount	3,568,644	10,675	5,389	3,584,708
Fair value	5,045,653	24,974	12,623	5,083,250

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11. Investment properties (continued)

11.1 Material accounting policy information

Investment properties, which are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes), are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and any accumulated impairment losses.

Residential units are depreciated over their useful lives of 50 years.

Renovations and furniture and fittings are depreciated on a straight-line basis based on their estimated useful lives of 10 years.

Investment property under construction is not depreciated until the assets are ready for its intend use.

The estimated useful lives, residual values and depreciation method of investment properties are reviewed at each year end, with the effect of any changes in estimates accounted for prospectively.

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

The fair value of residential units including renovation, furniture and fittings are derived by the Directors reference to market evidence of transaction prices for similar properties. The Group and the Company have not engaged an independent valuer to perform a valuation on the investment properties.

The fair value of capital work-in-progress is not reliably determinable until the completion of the construction and therefore the fair value of capital work-in-progress is approximated at cost.

Fair value of the investment properties are categorised under level 2 fair value.

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12. Land usage rights

	Group	
	2023	2022
	RM	RM
Land usage rights		
Cost:		
At 1 July	4,590,000	4,680,000
Amortisation	(90,000)	(90,000)
At 30 June	4,500,000	4,590,000

Land usage rights arose from acquisition of Anjur Wajar Sdn. Bhd., a subsidiary of the Group. The fair value of the land usage rights of RM5,040,000 on the acquisition date was made by an independent valuation performed by a licensed valuer dated 20 June 2017 by adopting the Comparison Approach. A deferred tax liability on the land usage rights of RM1,209,600 was recognised simultaneously with the land usage rights.

12.1 Material accounting policy information

Land usage rights represent the exclusive rights of a subsidiary to use the land leased by Pahang government for a long term management of timber and wood products located at Kemasul Forest Reserve, Negeri Pahang. However the Group is currently applying conversion of land usage to Large Scale Solar Power Plan. Land usage rights are stated at its acquisition costs and/or its fair value upon acquisition of the said subsidiary, less accumulated amortisation and impairment losses. Amortisation is provided on straight-line basis of the financial period. Land usage rights are reviewed annually or more frequently if the events or changes in circumstances indicate the carrying amount may be impaired.

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13. Investment in subsidiaries

	Company 2023 RM	2022 RM
Unquoted shares, at cost:		
At 1 July	1,701,981	1,701,981
Less: Impairment	<u>(1,701,981)</u>	<u>(1,701,981)</u>
At 30 June	<u>-</u>	<u>-</u>

The details of the subsidiaries are as follows:

Name of companies	Place of incorporation	Percentage of equity held		Principal activities
		2023 %	2022 %	
Helios PV Homes Sdn. Bhd.	Malaysia	100	100	Property investment and letting of properties.
Helios PV (Asia Pacific) Pte. Ltd. *	Singapore	100	100	Engineering services in clean energy systems.
Helios Solar Solutions Sdn. Bhd.	Malaysia	100	100	Solar energy products and construction services.
HPVSB (Cambodia) Co. Ltd.*	Cambodia	100	100	Dormant
Subsidiary of Helios PV Homes Sdn. Bhd.:				
Anjur Wajar Sdn. Bhd.	Malaysia	100	100	Dormant
Sasaran Padu Resources (Asia) Sdn. Bhd.	Malaysia	75	75	Dormant

* Audited by PKF network firm

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NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

13. Investment in subsidiaries (continued)

13.1 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at costs less any impairment losses.

Financial instrument (loans or advances) which, in substance, provides current access to the returns associated with an underlying ownership interest, or substantially all of the instrument's returns are driven by the financial performance of the subsidiaries such that the instrument provides an exposure similar to an investment in ordinary shares of the subsidiary are also accounted for as investment in subsidiaries by the Company.

14. Goodwill on consolidation

	Group	
	2023	2022
	RM	RM
At 1 July	1,371,425	1,371,425
Less: Impairment	(1,371,425)	(1,371,425)
At 30 June	<u>-</u>	<u>-</u>

14.1 Impairment test for goodwill

Goodwill arising from the acquisition had been allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

15. Investment in associate

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Unquoted shares, at cost:				
At 1 July/30 June	40,000	40,000	40,000	40,000
Less: Accumulated impairment loss	(40,000)	(40,000)	(40,000)	(40,000)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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15. Investment in associate (continued)

The details of the associate are as follows:

Name of associates	Place of incorporation	Percentage of equity held		Principal activities
		2023	2022	
Helios PV (KZ) LLP	Republic of kazakhstan	50%	50%	Electricity production by other power plants

16. Trade receivable

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current				
Trade receivables	8,543,115	8,543,115	8,543,115	8,543,115
Less: Impairment				
At 1 July	(8,543,115)	(13,996,642)	(8,543,115)	(13,962,365)
Reversal	-	5,453,527	-	5,419,250
At 30 June	(8,543,115)	(8,543,115)	(8,543,115)	(8,543,115)
	-	-	-	-
Retention sum	5,438,348	5,438,348	5,438,348	5,438,348
Less: Impairment				
At 1 July / 30 June	(5,438,348)	(5,438,348)	(5,438,348)	(5,438,348)
	-	-	-	-
	-	-	-	-

The Group's and the Company's normal trade credit terms granted are assessed and approved on a case-by-case basis.

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17. Contract assets/(liabilities)

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cost incurred to date	90,475,601	90,230,301	87,331,248	87,331,248
Add: Attributable profit	109,038,912	108,903,130	108,557,949	108,557,949
	<u>199,514,513</u>	<u>199,133,431</u>	<u>195,889,197</u>	<u>195,889,197</u>
Less: Progress billings	(196,118,165)	(195,905,804)	(193,396,032)	(193,396,032)
Less: Impairment	(3,289,773)	(3,283,108)	(2,548,646)	(2,548,646)
	<u>106,575</u>	<u>(55,481)</u>	<u>-</u>	<u>(55,481)</u>
Represented by:				
Contract assets	106,575	-	-	-
Contract liabilities	-	(55,481)	-	(55,481)
	<u>106,575</u>	<u>(55,481)</u>	<u>-</u>	<u>(55,481)</u>

18. Non-trade receivables, deposits and prepayments

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	8,988,591	10,881,773	8,961,269	10,869,558
Less: Impairment				
At 1 July	(10,869,558)	(10,407,957)	(10,869,558)	(10,407,957)
Addition	-	(461,601)	-	(461,601)
Reversal	1,910,000	-	1,910,000	-
At 30 June	<u>(8,959,558)</u>	<u>(10,869,558)</u>	<u>(8,959,558)</u>	<u>(10,869,558)</u>
Deposits	29,033	12,215	1,711	-
Prepayments	196,159	134,443	136,159	130,166
	1,500	3,799	-	2,299
	<u>226,692</u>	<u>150,457</u>	<u>137,870</u>	<u>132,465</u>

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19. Amount due from/(to) subsidiaries

	Company	
	2023	2022
	RM	RM
At 1 July	15,540,430	15,974,262
Less: Impairment		
As at 1 July	(15,974,262)	(16,163,137)
Reversal	433,832	188,875
As at 30 June	(15,540,430)	(15,974,262)
At 30 June	-	-
Amount due to subsidiaries	(1,021,345)	(1,027,150)

The amount due from/(to) subsidiaries are non-trade in nature, unsecured, interest-free and is repayable on demand.

Significant related party's transaction are disclosed in Note 31 to the financial statements.

20. Amount due from related party

	Group	
	2023	2022
	RM	RM
At 1 July	6,005,542	6,029,826
Less: Impairment		
As at 1 July	6,002,855	6,001,913
Addition	-	942
As at 30 June	6,002,855	6,002,855
At 30 June	2,687	471
	Company	
	2023	2022
	RM	RM
At 1 July	6,002,855	6,002,855
Less: Impairment		
As at 1 July	6,002,855	6,001,913
Addition	-	942
As at 30 June	6,002,855	6,002,855
At 30 June	-	-

The amount due from related party are non-trade in nature, unsecured, interest-free and is repayable on demand.

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20. Amount due from related party (continued)

Significant related party's transaction are disclosed in Note 31 to the financial statements.

21. Amount due from Directors

	Group	
	2023	2022
	RM	RM
Amount due from Director	4,582,589	2,244,547
Amount due to Director	(66,027)	(5,482)
Net	<u>4,516,562</u>	<u>2,239,065</u>

	Company	
	2023	2022
	RM	RM
Amount due from Director	<u>1,167,466</u>	<u>1,750,488</u>

The amount due from/(to) Directors are unsecured, interest-free and is repayable on demand.

22. Fixed deposits with licensed banks

	Group and Company	
	2023	2022
	RM	RM
Original maturities less than 3 months	-	408,628
Original maturities more than 3 months	-	2,001,136
	<u>-</u>	<u>2,409,764</u>

The effective interest rate of deposits during the financial period ranged from 3.15% to 3.60% (2022: 3.15% to 3.60%) per annum. The maturities of deposits at the end of the financial period were ranged from 31 days to 214 days (2022: 30 days to 274 days).

The fixed deposits with licensed banks have been pledged to banks for banking facilities granted to the Group and the Company.

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23. Share capital

	Group and Company			
	2023	2022	2023	2022
	Number of Ordinary Shares		RM	
Issued and fully paid:				
At 1 July / 30 June	1,400,000	1,400,000	1,400,000	1,400,000

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

24. Translation reserve

The translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group.

It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

25. Lease liability

	Group		Company	
	2023	2022	2023	2022
	RM		RM	
Represented by:				
Current	162,251	162,251	161,679	161,679
Non-current	146,504	147,166	-	-
	<u>308,755</u>	<u>309,417</u>	<u>161,679</u>	<u>161,679</u>

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25. Lease liability (continued)

25.1 Cash flows for leases as a lessee

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Included in net cash used in operating activities:				
Payment relating to leases of low-value assets	-	(7,550)	-	(7,550)
Interest paid in relation to lease liabilities	(13,476)	(6,242)	(6,473)	(6,243)
Included in net cash used in financing activities:				
Payment of lease liabilities	(329,944)	(372,471)	(322,279)	(264,805)
Total cash outflows for leases	<u>(343,420)</u>	<u>(286,264)</u>	<u>(328,732)</u>	<u>(278,598)</u>

25.2 Material accounting policy

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 respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivables;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement rate;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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26. Deferred tax liabilities

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
At 1 July/30 June	1,209,600	1,209,600	-	-

The component and movements of deferred tax liabilities and assets during the financial period prior to offsetting are as follows:

	Land use rights	Property, plant and equipment	Total
	RM	RM	RM
Deferred tax liabilities of the Group			
At 1 July/30 June	1,209,600	-	1,209,600

The amount of temporary differences for which no deferred tax assets has been recognised in the statements of financial position are as follows (stated as gross):

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Property, plant and equipment	(45,578)	(19,484)	(45,578)	(19,484)
Unutilised tax losses	11,495,948	10,302,684	11,291,080	10,113,586
Unutilised capital allowances	199,154	364,820	199,154	364,820
Provision	19,650,288	19,593,499	19,650,288	19,593,499
	<u>31,299,812</u>	<u>30,241,519</u>	<u>31,094,944</u>	<u>30,052,419</u>

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27. Trade payables

The Group's and the Company's normal trade credit terms granted are ranging from 30 to 120 days (2022: 30 to 120 days). Other credit terms are assessed and approved on cash-by-case basis.

28. Non-trade payables and accruals

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Non-trade payables	955,803	1,236,492	883,286	1,091,735
GST payable	81,482	-	-	-
Sum retention of subcontractor	162,314	162,314	162,314	162,314
Accruals	1,029,236	1,075,637	538,876	538,876
Provision	22,955	22,955	22,955	22,955
	<u>2,251,790</u>	<u>2,497,398</u>	<u>1,607,431</u>	<u>1,815,880</u>

29. Bank overdraft

The overdraft facility bears interest from 6.65% (2022: 6.65%) per annum and are secured by way of pledge of the fixed deposit of the Company.

30. Contingent liabilities

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Performance guarantee given by licensed banks	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

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31. Related party disclosures

- (a) Significant transactions between the Company and its related parties during the financial period were as follows:

	2023	2022
	RM	RM
With subsidiaries		
Helios PV Homes Sdn. Bhd.		
- Repayment	1,599,862	21,749
- Payment on behalf	1,040,924	48,881
	<u> </u>	<u> </u>
Helios PV (Asia Pacific) Pte.Ltd		
- Payment on behalf	9,260	-
- Impairment loss	-	4,360,362
	<u> </u>	<u> </u>
Anjur Wajar Sdn. Bhd.		
- Impairment loss	-	67,957
	<u> </u>	<u> </u>
HPVSB (Cambodia) Co., Ltd.		
- Impairment loss	-	536,513
	<u> </u>	<u> </u>
Helios Solar Solutions Sdn. Bhd.		
- Payment on behalf	5,806	-
- Maintenance services	-	630,000
	<u> </u>	<u> </u>

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.

- (b) Key management personnel of the Group and Company comprise only the directors of the Group and Company.

The remuneration of Directors during the financial period is disclosed in Note 6 to the financial statements.

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32. Financial instruments

Categories of financial instruments

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

	Carrying amount RM	AC RM
2023		
Group		
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	225,192	225,192
Amount due from a related party	2,687	2,687
Amount due from Directors	4,516,562	4,516,562
Cash and bank balances	151,714	151,714
	<u>4,896,155</u>	<u>4,896,155</u>
Financial liabilities		
Trade payables	2,286,084	2,286,084
Non-trade payables and accruals (excluding GST payables and provision)	2,147,353	2,147,353
Bank overdraft	3,693,691	3,693,691
	<u>8,127,128</u>	<u>8,127,128</u>
2023		
Company		
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	137,870	137,870
Amount due from Director	1,167,466	1,167,466
Cash and bank balances	55,552	55,552
	<u>1,360,888</u>	<u>1,360,888</u>
Financial liabilities		
Trade payables	1,993,862	1,993,862
Non-trade payables and accruals (excluding GST payables and provision)	1,584,476	1,584,476
Amount due to a subsidiary	1,021,345	1,021,345
Bank overdraft	3,693,691	3,693,691
	<u>8,293,374</u>	<u>8,293,374</u>

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NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

32. Financial instruments (continued)

Categories of financial instruments

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

	Carrying amount RM	AC RM
2022		
Group		
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	146,658	146,658
Amount due from related party	471	471
Amount due from Directors	2,239,065	2,239,065
Fixed deposits with licensed banks	2,409,764	2,409,764
Cash and bank balances	113,528	113,528
	<u>4,909,486</u>	<u>4,909,486</u>
Financial liabilities		
Trade payables	2,256,154	2,256,154
Non-trade payables and accruals (excluding GST payables and provision)	2,474,443	2,474,443
Bank overdraft	6,788,194	6,788,194
	<u>11,518,791</u>	<u>11,518,791</u>
2022		
Company		
Financial assets		
Non-trade receivables and deposits (excluding prepayments)	130,166	130,166
Amount due from Directors	1,750,488	1,750,488
Fixed deposits with licensed banks	2,409,764	2,409,764
Cash and bank balances	21,619	21,619
	<u>4,312,037</u>	<u>4,312,037</u>
Financial liabilities		
Trade payables	1,974,432	1,974,432
Non-trade payables and accruals (excluding GST payables and provision)	1,792,925	1,792,925
Amount due to a subsidiary	1,027,150	1,027,150
Bank overdraft	6,788,194	6,788,194
	<u>11,582,701</u>	<u>11,582,701</u>

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32. Financial instruments (continued)

Net gains/(losses) arising from financial instruments

	Group		Company	
	2023	2022	2023	2022
Net gains/(losses) arising on:				
<i>Financial assets</i>				
measured at amortised cost				
Impairment loss:				
- Non-trade receivable	-	(461,601)	-	(461,601)
- related party	-	(942)	-	(942)
Reversal of impairment loss on:				
- amount due from subsidiaries	-	-	433,832	188,875
- trade receivables	-	5,453,527	-	5,419,250
Bad debt recovery – non-trade	1,910,000	48,000	1,910,000	48,000
Fixed deposit interest income	95,386	5,704	95,386	5,704
Interest income	3	23,064	-	19,682
Waiver of debt				
- non-trade	-	2,627,026	-	-
- trade	-	4,761	-	134
Non-trade receivables written off	(56,320)	-	-	-
Deposit written off	(15,192)	(6,144)	(15,192)	(6,144)

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, 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, liquidity risk and foreign currency risk.

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023

32. Financial instruments (continued)

Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group's and the Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group and the Company manage 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 and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Company established 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.

Credit risk concentration profile

The Group's and the Company's major concentration of credit risk related to the amount owing by Ministry of Rural and Regional Development which constituted 100% of its trade receivable as at the end of the reporting period.

Exposure to credit risk

As the Group and the Company do 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.

Recognition and measurement of impairment loss

The Group and the Company uses a provision matrix to measure ECLs of amount due from holding company and related companies.

Loss rates are based on actual credit loss experience over the past three (3) years. The Company also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Company's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group and the Company believes that these factors are immaterial for the purpose of impairment calculation for the financial period.

Ageing analysis

The ageing analysis of the Group's and of the Company's trade receivables as at reporting date are as follows:

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32. Financial instruments (continued)

Credit risk (continued)

	Gross amount RM	Loss allowance RM	Carrying amount RM
Group and Company 2023			
Not past due	8,543,115	(8,543,115)	-
2022			
Not past due	8,543,115	(8,543,115)	-

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due, which are deemed to have higher credit risk, are monitored individually.

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 rate. The Group's and the Company's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's and the Company's policies are to obtain the most favourable interest rates available. Any surplus funds of the Group and the Company will be placed with licensed financial institutions to generate interest income.

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32. Financial instruments (continued)

Interest rate risk (continued)

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following tables indicates its effective interest rates at the reporting date and the periods in which they reprice or mature, whichever is earlier:

Group	Effective interest rate per annum %	Within 1 year RM	Total RM
2023			
Financial liabilities			
Bank overdraft	6.65	<u>(3,693,691)</u>	<u>(3,693,691)</u>
2022			
Financial assets			
Fixed deposits with licensed banks	3.15 - 3.60	2,409,764	2,409,764
Financial liabilities			
Bank overdraft	6.65	<u>(6,788,194)</u>	<u>(6,788,194)</u>
		<u>(4,378,430)</u>	<u>(4,378,430)</u>
Company			
2023			
Financial liabilities			
Bank overdraft	6.65	<u>(3,693,691)</u>	<u>(3,693,691)</u>
2022			
Financial assets			
Fixed deposits with licensed banks	3.15 – 4.10	2,409,764	2,409,764
Financial liabilities			
Bank overdraft	6.65	<u>(6,788,194)</u>	<u>(6,788,194)</u>
		<u>(4,378,430)</u>	<u>(4,378,430)</u>

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32. Financial instruments (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

	Group		Company	
	2023 Increase/ (Decrease) RM	2022 Increase/ (Decrease) RM	2023 Increase/ (Decrease) RM	2022 Increase/ (Decrease) RM
Effect on profit after tax				
Increase of 10 basis points	2,881	(3,173)	2,770	(3,284)
Decrease of 10 basis points	(2,881)	3,173	(2,770)	3,284

Liquidity risk

The Group and the Company monitor and maintain 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 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
Group			
2024			
Trade payables	2,438,451	2,438,451	2,438,451
Non-trade payables and accruals (excluding GST payables and provision)	2,300,790	2,300,790	2,300,790
Bank overdraft	4,029,450	4,029,450	4,029,450
	<u>8,768,691</u>	<u>8,768,691</u>	<u>8,768,691</u>

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32. Financial instruments (continued)

Liquidity risk (continued)

Maturity analysis

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM
Group			
2023			
Trade payables	2,286,084	2,286,084	2,286,084
Non-trade payables and accruals (excluding GST payables and provision)	2,147,353	2,147,353	2,147,353
Bank overdraft	3,693,691	3,693,691	3,693,691
	<u>8,127,128</u>	<u>8,127,128</u>	<u>8,127,128</u>
2022			
Trade payables	2,256,154	2,256,154	2,256,154
Non-trade payables and accruals (excluding GST payables and provision)	2,474,443	2,474,443	2,474,443
Bank overdraft	6,788,194	6,788,194	6,788,194
	<u>11,518,791</u>	<u>11,518,791</u>	<u>11,518,791</u>
Company			
2023			
Trade payables	1,993,862	1,993,862	1,993,862
Non-trade payables and accruals (excluding GST payables and provision)	1,584,476	1,584,476	1,584,476
Amount due to a subsidiary	1,021,345	1,021,345	1,021,345
Bank overdraft	3,693,691	3,693,691	3,693,691
	<u>8,293,374</u>	<u>8,293,374</u>	<u>8,293,374</u>
2022			
Trade payables	1,974,432	1,974,432	1,974,432
Non-trade payables and accruals (excluding GST payables and provision)	1,792,925	1,792,925	1,792,925
Amount due to a subsidiary	1,027,150	1,027,150	1,027,150
Bank overdraft	6,788,194	6,788,194	6,788,194
	<u>11,582,701</u>	<u>11,582,701</u>	<u>11,582,701</u>

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32. Financial instruments (continued)

Fair value

The following summarises the methods used to determine the fair values of the financial instruments:

- (i) 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.
- (ii) the fair value of lease liabilities is determined using the discounted rate. This method based on the current market rate of borrowings of the respective Group entities of the reporting date.

33. Capital management

The Group's and the Company's capital are represented by its total equity in the statement of financial position. The Directors monitor the adequacy of capital on an on-going basis.

There is no external capital requirement imposed on the Company.

34. Significant event subsequent to financial year

On 21 August 2024, the Company issued additional share capital of RM200,000 by allotment of 1 shares at RM1.00 each for consideration by cash for working capital purposes.

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35. General information

The Company is a private limited company that is incorporated and domiciled in Malaysia.

The Company is principally engaged as dealer of solar energy products and rendering construction services. The principal activities of its subsidiaries are as disclosed in Note 10 to the financial statements.

There has been no significant change in the nature of these activities during the financial period.

The registered office of the Company is located at Unit 621, 6th Floor, Block A, Kelana Centre Point, No.3 Jalan SS7/19, Kelana Jaya, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at Suite 5.04, Level 5, Wisma E&C, Jalan Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur.

The financial statements were approved and authorised for issue by the Board of Directors on 6 March 2026.