

INFORMATION ON NBH REALTY (CONT'D)

Registration No. 201101023584 (951720-P)
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NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2020

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NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

CORPORATE INFORMATION

Directors	Toh Su See Tsai Chia Ling Chan Moi Moi @ Anna Tjandra Tsai Chang Hsiu-Hsiang
Secretaries	Lee Peng Loon P'ng Chiew Keem
Registered Office	51-21-A Menara BHL Jalan Sultan Ahmad Shah 10050 Georgetown Penang
Business Address	AL 41B, Lot 2335 Kampung Baru Sungai Buloh 47000 Sungai Buloh Selangor Darul Ehsan
Auditors	Grant Thornton Malaysia PLT Chartered Accountants
Bankers	Malayan Banking Berhad RHB Bank Berhad

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NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended **31 December 2020**.

PRINCIPAL ACTIVITY

The principal activity of the Company in the course of the financial year remains unchanged and consists of property investment.

RESULTS

	RM
Loss for the financial year	<u>(74,484)</u>

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

DIVIDENDS

The Company is not in a position to pay any dividend in view of the current year loss and the accumulated losses as at the end of the reporting period.

RESERVES AND PROVISIONS

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

SHARE CAPITAL AND DEBENTURE

During the financial year, the Company did not issue any share or debenture.

DIRECTORS

The directors of the Company in office since the beginning of the financial year to the date of this report are:

Toh Su See
Tsai Chia Ling
Chan Moi Moi @ Anna Tjandra (appointed on 12.8.20)
Tsai Chang Hsiu-Hsiang (appointed on 12.8.20)

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DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings to be kept under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

	Number of ordinary shares			Balance at 31.12.2020
	Balance at 1.1.2020	Bought	Sold	
Direct interest				
Toh Su See	44,999	-	-	44,999
Deemed interest:				
¹ Tsai Chia Ling	45,000	-	-	45,000
¹ Tsai Chang Hsiu-Hsiang	45,000 ²	-	-	45,000

Note:

¹ Deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of shares held through Amal Pintas Sdn. Bhd.

² At date of appointment.

DIRECTORS' REMUNERATION AND BENEFITS

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

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

Since the end of the previous financial year, no director of the Company has received or become entitled any benefit by reason of a contract made by the Company or a related corporation with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnity has been given to or insurance effected for any of the directors, officers or auditors of the Company during the financial year.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts to be written off and no provision for doubtful debts was required, and
- (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

INFORMATION ON NBH REALTY (CONT'D)

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

- (i) that would render it necessary to write off any bad debts or make any provision for doubtful debts in the financial statements of the Company, or
- (ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- (iii) that would render any amount stated in the financial statements of the Company misleading, or
- (iv) that have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

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

- (i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, and
- (ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

In the opinion of the directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due, and
- (ii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the current financial year in which this report is made.

AUDITORS

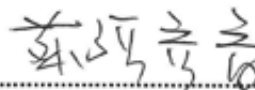
The total amount of fees paid to or receivable by the auditors, **Grant Thornton Malaysia PLT**, as remuneration for their services as auditors of the Company for the financial year ended 31 December 2020 is RM4,000.

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

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



.....
Toh Su See



.....
Tsai Chang Hsiu-Hsiang

Penang,

Date: 08 OCT 2021

INFORMATION ON NBH REALTY (CONT'D)


Registration No. 201101023584 (951720-P)

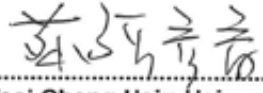
NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
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DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 10 to 21 are properly drawn up in accordance with Malaysian Private Entities Reporting Standard 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 Company as at **31 December 2020** and of its financial performance and cash flows for the financial year then ended.

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


.....
Toh Su See



.....
Tsai Chang Hsiu-Hsiang

Date: 08 OCT 2021

STATUTORY DECLARATION

I, **Toh Su See**, the director primarily responsible for the financial management of **NBH Realty Sdn. Bhd.** do solemnly and sincerely declare that the financial statements set out on pages 10 to 21 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed at Penang, this
day of **08 OCT 2021**


.....
Toh Su See

Before me,



.....
Commissioner for Oaths

20 Lebuhr King
10200 Pulau Pinang

INFORMATION ON NBH REALTY (CONT'D)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NBH REALTY SDN. BHD.**

Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

Grant Thornton Malaysia PLT

Level 5, Menara BHL
51 Jalan Sultan Ahmad Shah
10050 Penang
Malaysia

Report on the Audit of the Financial Statements

Opinion

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F +604 227 9828

We have audited the financial statements of **NBH Realty Sdn. Bhd.**, which comprise the statement of financial position as at **31 December 2020**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of accounting policies, as set out on pages 10 to 21.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at **31 December 2020** and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the 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.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

In connection with our audit of the financial statements of the 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 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.

INFORMATION ON NBH REALTY (CONT'D)



**Independent Auditors' Report To The Members Of
NBH Realty Sdn. Bhd. (cont'd)
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)**

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

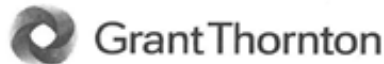
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements of the Company.

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 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 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 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 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 Company to cease to continue as a going concern.

INFORMATION ON NBH REALTY (CONT'D)



**Independent Auditors' Report To The Members Of
NBH Realty Sdn. Bhd. (cont'd)
Registration No. 201101023584 (951720-P)
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- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matter

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

**Grant Thornton Malaysia PLT
AF: 0737
201906003682 (LLP0022494-LCA)
Chartered Accountants**

**Loo Wei Teng
No. 03487/03/2022 J
Chartered Accountant**

Penang

Date: 8 October 2021

INFORMATION ON NBH REALTY (CONT'D)

Registration No. 201101023584 (951720-P)

NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
ASSETS			
Non-current asset			
Investment property	4	40,635,776	40,635,776
Current asset			
Cash and bank balances		<u>10,014</u>	<u>38,147</u>
TOTAL ASSETS		<u>40,645,790</u>	<u>40,673,923</u>
EQUITY AND LIABILITIES			
Share capital	5	100,000	100,000
Accumulated losses		<u>(278,959)</u>	<u>(204,475)</u>
Total equity		<u>(178,959)</u>	<u>(104,475)</u>
Current liabilities			
Other payables and accruals	6	11,343	8,873
Amount due to a director	7	18,399,754	17,405,118
Amount due to shareholders	8	22,413,652	22,394,141
Term loan	9	-	970,266
Total liabilities		<u>40,824,749</u>	<u>40,778,398</u>
TOTAL EQUITY AND LIABILITIES		<u>40,645,790</u>	<u>40,673,923</u>

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

 INFORMATION ON NBH REALTY (CONT'D)

Registration No. 201101023584 (951720-P)
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NBH REALTY SDN. BHD.
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 (Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	NOTE	2020 RM	2019 RM
Revenue		-	-
Administrative expenses		<u>(74,484)</u>	<u>(74,534)</u>
Loss before tax	10	(74,484)	(74,534)
Tax expense	11	<u>-</u>	<u>-</u>
Net loss, representing total comprehensive loss for the financial year		<u>(74,484)</u>	<u>(74,534)</u>

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

INFORMATION ON NBH REALTY (CONT'D)

Registration No. 201101023584 (951720-P)

NBH REALTY SDN. BHD.
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share Capital RM	Accumulated Losses RM	Total Equity RM
2020			
Balance at beginning	100,000	(204,475)	(104,475)
Total comprehensive loss for the financial year	<u>-</u>	<u>(74,484)</u>	<u>(74,484)</u>
Balance at end	<u>100,000</u>	<u>(278,959)</u>	<u>(178,959)</u>
2019			
Balance at beginning	100,000	(129,941)	(29,941)
Total comprehensive loss for the financial year	<u>-</u>	<u>(74,534)</u>	<u>(74,534)</u>
Balance at end	<u>100,000</u>	<u>(204,475)</u>	<u>(104,475)</u>

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

INFORMATION ON NBH REALTY (CONT'D)

Registration No. 201101023584 (951720-P)

NBH REALTY SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020 RM	2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax, representing operating loss before working capital changes	(74,484)	(74,534)
Changes in:		
Increase in payables	2,470	(801)
Net cash used in operating activities	<u>(72,014)</u>	<u>(75,335)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of term loan	(970,266)	(3,757,282)
Net change in a director's account	994,636	3,819,418
Net change in shareholders' accounts	19,511	37,236
Net cash from financing activities	<u>43,881</u>	<u>99,372</u>
NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES	(28,133)	24,037
CASH AND BANK BALANCES AT BEGINNING	<u>38,147</u>	<u>14,110</u>
CASH AND BANK BALANCES AT END	<u>10,014</u>	<u>38,147</u>

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

INFORMATION ON NBH REALTY (CONT'D)

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NBH REALTY SDN. BHD.
Registration No. 201101023584 (951720-P)
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020

1. GENERAL INFORMATION

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

The principal activity of the Company in the course of the financial year remains unchanged and consists of property investment.

The registered office of the Company is located at 51-21-A, Menara BHL, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.

The principal place of business is located at AL 41B, Lot 2335, Kampung Baru Sungai Buloh, 47000 Sungai Buloh, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 8 October 2021.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies as set out in Note 3 to the financial statements.

During the financial year, the Company has incurred a net loss of RM74,484. The statement of financial position of the Company as at the end of the reporting period shows a deficiency in working capital of RM40,814,735 and negative shareholders' fund of RM178,959. The continuation of the Company as a going concern is therefore dependent on the continued financial support from its shareholders.

The shareholders have agreed to provide continuing financial support for the Company to meet its liabilities as and when they fall due.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency.

2.3 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

INFORMATION ON NBH REALTY (CONT'D)

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Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

3. ACCOUNTING POLICIES

The following accounting policies adopted by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Investment Property

Investment properties are properties which are held to earn rental income or capital appreciation or both. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is not depreciated as it has an infinite life.

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

3.2 Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units ("CGU").

The recoverable amount of an asset of CGU is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows 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 or CGU.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

INFORMATION ON NBH REALTY (CONT'D)

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3.3 Financial Instruments**3.3.1 Initial recognition and measurement**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transactions costs that are directly attributable to the acquisition or issue of the financial instrument. For intra-group loans and advances, and other contractual arrangements, that constitute a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

3.3.2 Financial instrument categories

The Company categorises financial instruments as follows:

Financial assets**Loans and receivables**

Loans and receivables category comprise debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.3.3 Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (i) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (ii) there is no contractual provision that could result in the holder losing the principal amount of any interest attributable to the current or prior periods; and
- (iii) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

INFORMATION ON NBH REALTY (CONT'D)

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All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- (i) For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- (ii) For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

3.3.4 **Derecognition**

A financial asset or part of it is derecognised, when and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

3.4 **Impairment and Uncollectibility of Financial Assets**

For short-term trade and other receivables where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristics and aged according to their past due period. A collective allowance is estimated for a class group based on the Company's experiences of loss ratio in each class, taking into consideration current market conditions.

3.5 **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits 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, against which bank overdraft balances, if any, are deducted.

3.6 **Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made.

INFORMATION ON NBH REALTY (CONT'D)

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Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

3.7 Borrowing Costs

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowings costs are recognised as an expense when incurred.

3.8 Income Tax

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

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

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

3.9 Share Capital, Share Issuance Costs and Dividends
Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Share issuance costs

Incremental external costs directly attributable to the issuance of new shares are deducted against equity.

Dividends

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained profits and recognised as a liability in the period in which they are declared or approved.

INFORMATION ON NBH REALTY (CONT'D)

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3.10 Related Parties

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

- (a) A person or a close member of that person's family is related to the Company if that person:
- (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Company or of the holding company.
- (b) An entity is related to the Company if any of the following conditions applies:
- (i) The entity and the Company are members of the same group.
 - (ii) The entity is an associate or joint venture of the other entity.
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefits of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly-controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the Company or is a member of the key management personnel of the Company or of the holding company.
 - (viii) The entity, or any member of a group when it is a part, provides key management personnel services to the Company or to the parent of the Company.

4. INVESTMENT PROPERTY

	Freehold land	
	2020	2019
	RM	RM
At cost	40,635,776	40,635,776

The freehold land was pledged as securities to a licensed bank for banking facilities granted to the Company as disclosed in Note 9 to the financial statements.

The investment property is measured at cost less accumulated depreciation and impairment loss, if any, as the fair value cannot be reliably measured without undue cost or effort.

INFORMATION ON NBH REALTY (CONT'D)

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5. SHARE CAPITAL

	Number of ordinary shares of		Amount	
	2020	2019	2020 RM	2019 RM
Issued and fully paid with no par value	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

6. OTHER PAYABLES AND ACCRUALS

	2020 RM	2019 RM
Other payables	3,343	4,873
Accruals	<u>8,000</u>	<u>4,000</u>
	<u>11,343</u>	<u>8,873</u>

7. AMOUNT DUE TO A DIRECTOR

The amount due to a director is non-trade related, unsecured, non-interest bearing and repayable on demand.

Included in amount due to a director is interest expenses of **RM4,630** (2019: RM144,530) incurred during the year.

8. AMOUNT DUE TO SHAREHOLDERS

The amount due to shareholders are non-trade related, unsecured, non-interest bearing and repayable on demand.

9. TERM LOAN

The term loan was secured by way of:

- (i) legal charges over freehold land of the Company as disclosed in Note 4 to the financial statements; and
- (ii) jointly and severally guaranteed by a director of a corporate shareholder of the Company and third party.

The effective interest rate of the term loan was 6.85% per annum.

INFORMATION ON NBH REALTY (CONT'D)

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10. LOSS BEFORE TAX

This is arrived at:

	2020 RM	2019 RM
After charging:		
Audit fee	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

11. TAX EXPENSE

There is no current taxation charge as the Company has no chargeable income for the financial year.

The reconciliation of taxation of the Company is as follows:

	2020 RM	2019 RM
Loss before tax	(74,484)	(74,534)
	<u>(74,484)</u>	<u>(74,534)</u>
Income tax at Malaysian statutory tax rate of 24%	17,876	17,888
Expenses not deductible for tax purposes	(17,876)	(17,888)
	<u>-</u>	<u>-</u>

12. RELATED PARTY DISCLOSURES

There were no transactions including remuneration with the directors and key management personnel during the financial year under review.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.