

**BORANG MAKLUMAT KUNCI KIRA-KIRA TAHUNAN**

NO. QT (EP) :

NAMA SEKOLAH :

NEGERI :

**ARAHAN**

- Pembekal **WAJIB** mengisi borang Maklumat Kunci Kira-Kira Tahunan ini dengan **lengkap** dan **memuat naik semula ke dalam sistem ePerolehan**.
- Tandakan **(X)** pada ruangan **"Ya"** atau **"Tidak"** bagi soalan di bawah
- Sekiranya **'YA'**, isikan maklumat pengalaman tersebut di bawah dan sila muat naik borang ini bersama dengan dokumen sokongan
- Sekiranya **'TIDAK'**, isikan nilai **sifar (0)** bagi medan **(RM)** di dalam sistem ePerolehan
- Maklumat yang diisi dalam borang ini mestilah sama dengan maklumat yang dikunci masuk ke dalam Aset dan Liabiliti dalam sistem ePerolehan.

PERKARA	YA	TIDAK
Adakah pembekal/syarikat mempunyai maklumat kunci kira-kira tahunan bagi tahun terkini?	/	

Sekiranya 'YA', isikan maklumat di bawah dan muat naik borang ini bersama dengan dokumen sokongan (salinan kunci kira-kira tahunan yang telah diaudit).

BIL.	PERKARA	RM
1.	Aset Semasa	16,187,743
2.	Liabiliti Semasa	15,281.206
3.	Jumlah Tunai Dalam Tangan	1,372,324
4.	Jumlah Akaun Belum Terima	5,202,514

\*Nilai yang perlu dikunci masuk ke dalam sistem ePerolehan sekiranya **"TIDAK"** ialah 0

**PERAKUAN PEMBEKAL**

Saya yang menurukan tandatangan di bawah ini **MENGESAHKAN** bahawa maklumat yang dikemukakan adalah sah dan benar.

.....  
(Tandatangan)

Nama : DATO' SRI HAJI MUSTAPA BIN HAJI ALI

Jawatan : PENGARAH URUSAN

No. Kad Pengenalan : 511008-05-5239

Cap Perniagaan/Syarikat:



Alamat Perniagaan/Syarikat:

**AHM CONSULTANCY & SECURITY SERVICES SDN BHD**

**NO. 27, JALAN USJ 21/11, USJ CITY CENTRE**

**47630 UEP SUBANG JAYA, SELANGOR**

No. Pendaftaran MOF : 357-00044963

No. Telefon Terkini : 03-8024 5396

Emel Syarikat : ahmsecure@gmail.com

Tarikh : 4 Julai 2023

Company No: 199401043190 (328878 – W)

**CERTIFIED TRUE COPY**

  
Company Secretary  
MOHD JERRY BIN MD ALI  
SSM PC NO.: 201908001239  
MIA 15662

**AHM CONSULTANCY & SECURITY SERVICES SDN.BHD.**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS**  
**31 DECEMBER 2021**

**WAN NADZIR & CO.**  
Chartered Accountants

Company No: 199401043190 (328878 – W)

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
(Incorporated in Malaysia)

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Company No: 199401043190 (328878 – W)

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

Board of Directors	: Dato' Sri Mustapa bin Ali Dato' Mohammad Fadzlee bin Mustapa
Company Secretary	: Nor Azila binti Abdul Wahab
Registered Office	: No. 2F-1, Jalan Raya 2 Kawasan Perusahaan Seri Kembangan 43300 Seri Kembangan Selangor Darul Ehsan.
Principal Place of Business	: Wisma M&F No. 27, Jalan USJ 21/11 USJ City Centre 47630 UEP Subang Jaya Selangor Darul Ehsan.
Auditors	: Wan Nadzir & Co. Chartered Accountants
Bankers	: Agrobank Berhad AmBank (M) Berhad Bank Islam (M) Berhad Bank Muamalat Malaysia Berhad Bank Rakyat Bank Simpanan Nasional CIMB Bank (M) Berhad Hong Leong Bank Berhad Hong Leong Islamic Bank Berhad Malayan Banking Berhad RHB Bank Berhad RHB Islamic Bank Berhad UOB Bank Berhad

Company No: 199401043190 (328878 – W)

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
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**DIRECTORS' REPORT**

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2021.

**PRINCIPAL ACTIVITY**

The Company is principally engaged in providing security services.

There has been no significant change in the nature of this activity during the financial year.

**FINANCIAL RESULTS**

RM

Profit before taxation

410,784

**DIVIDENDS**

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

**RESERVES AND PROVISIONS**

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

**ISSUE OF SHARES OR DEBENTURES**

There were no shares or debentures issued by the Company during the financial year.

**OPTIONS GRANTED OVER UNISSUED SHARES**

There were no options granted to any person to take up unissued shares of the Company during the financial year under review.

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
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**DIRECTORS' REPORT (CONTINUED)**

**OTHER STATUTORY INFORMATION**

Before the statement of profit or loss, statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:-

- a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for impairment and have satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment; and
- b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Company had 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:-

- a) which would render the amounts written off for bad debts or the amount of the allowance for impairment in the financial statements of the Company inadequate to any substantial extent; or
- b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

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

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

- a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- b) any contingent liability of the Company which has arisen since the end of the financial year.

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
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**DIRECTORS' REPORT (CONTINUED)**

**OTHER STATUTORY INFORMATION (CONTINUED)**

In the opinion of the Directors:-

- a) the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

**DIRECTORS**

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

Dato' Sri Mustapa bin Ali	
Dato' Mohammad Fadzlee bin Mustapa	
Mohammed Fadzlan bin Mustapa	(Resigned on 22.07.2021)
Tan Sri Dato' (Dr) Haji Abdul Aziz bin Abdul Rahman	(Resigned on 10.01.2021)
Datin Seri Fuziah binti Mohd Nor	(Resigned on 10.01.2021)

**DIRECTORS' INTERESTS**

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in the shares of the Company were as follows:-

	As at <u>01.01.2021</u>	<u>Number of Ordinary Shares</u>		
		<u>Bought</u>	<u>Sold</u>	As at <u>31.12.2021</u>
Shareholdings registered in the name of Directors:				
Dato' Sri Mustapa bin Ali	6,000,000	-	-	6,000,000
Dato' Mohammad Fadzlee bin Mustapa	6,007,250	-	-	6,007,250

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
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**DIRECTORS' REPORT (CONTINUED)**

**DIRECTORS' BENEFITS**

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in 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 to receive any benefits (other than Directors' remuneration disclosed in Note 7 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 he is a member, or with a company in which he has a substantial financial interest except that certain Directors received remuneration from its ultimate holding company.

**DIRECTORS' REMUNERATION**

The amounts of the remuneration of the Directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follows:

	<u>2021</u> RM
Directors' fees	<u>205,000</u>

None of the Directors of the Company have received any other benefits otherwise than in cash from the Company during the financial year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the Directors of the Company during the financial year.

**INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS**

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the Director, officer or auditor of the Company.

**AUDITORS**

Auditors' remuneration is disclosed in Note 6 to the Financial Statements.

The auditors, Wan Nadzir & Co., have expressed their willingness to continue in office.



Company No: 199401043190 (328878 – W)

Company Secretary  
MOHD JERRY BIN MD ALI  
SSM PC NO.: 201908001239  
MIA 15662

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT (CONTINUED)**

**APPROVAL OF THE DIRECTORS' REPORT**

This report is approved by the Directors and signed in accordance with a resolution of the Directors.



Dato' Sri Mustapa bin Ali  
Director



Dato' Mohammad Fadzlee bin Mustapa  
Director

Kuala Lumpur

Dated: 07 NOV 2022

Company No: 199401043190 (328878 - W)

Company Secretary  
 MOHD JERRY BIN MD ALI  
 SSM PC NO.: 201908001239  
 MIA 15662

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
 (Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

Pursuant to Section 251 (2) of the Companies Act, 2016


We, Dato' Sri Mustapa bin Ali and Dato' Mohammad Fadzlee bin Mustapa, being the Directors of AHM Consultancy & Security Services Sdn. Bhd., do hereby state that in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 45 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and their requirements of 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 2021 and of its financial performance and cash flows for the year then ended.

Signed in accordance with a resolution of the Directors.



Dato' Sri Mustapa bin Ali

Director



Dato' Mohammad Fadzlee bin Mustapa  
 Director

Kuala Lumpur

Dated: **07 NOV 2022**

**STATUTORY DECLARATION**

Pursuant to Section 251 (1) of the Companies Act, 2016

I, Dato' Mohammad Fadzlee bin Mustapa, being the Director primarily responsible for the financial management of AHM Consultancy & Security Services Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 11 to 45 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 Declaration Act, 1960.

Subscribed and solemnly declared  
 by the abovenamed  
 at Kuala Lumpur in Wilayah Persekutuan  
 this day **07 NOV 2022**

Dato' Mohammad Fadzlee bin Mustapa

Before me  
 W712  
 TAIB BIN AHMAD  
 1/1/2021 - 07/10/2022

**PESURUHJAYA SUMAH**

**7**

**BILIK 63, TINGKAT 6,  
 MENARA HIDAYAH,  
 JALAN 3/27A, SEKSYEN 1,  
 WANGSA MAJU  
 53300 KUALA LUMPUR**

## AUDITORS' REPORT

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHM CONSULTANCY & SECURITY SERVICES SDN. BHD. (COMPANY NO.: 199401043190 (328878 – W))

#### Report on the audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of AHM Consultancy & Security Services Sdn. Bhd., which comprise the statement of financial position as at 31 December 2021 of the Company, and statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

##### *Basis for Opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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' Code of Ethics for Professional Accountants ("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 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.

## **AUDITORS' REPORT (CONTINUED)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHM CONSULTANCY & SECURITY SERVICES SDN. BHD. (COMPANY NO.: 199401043190 (328878 – W))**

#### *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 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 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 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 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.

# **AUDITORS' REPORT (CONTINUED)**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AHM CONSULTANCY & SECURITY SERVICES SDN. BHD. (COMPANY NO.: 199401043190 (328878 – W))**


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

- 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.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements 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.

  
WAN NADZIR & CO.  
AF No.: 1234  
Chartered Accountants

  
Zulkifli Anim bin Ismail  
Approval No. 02532/05/2022 (J)  
Partner of the Firm

Kuala Lumpur  
Dated: 07 NOV 2022

Company No: 199401043190 (328878 – W)

Company Secretary  
 MOHD JERRY BIN MD ALI  
 SSM PC NO.: 201908001239  
 MIA 15662

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
 (Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
Revenue	5	14,465,908	12,069,752
Cost of sales		(10,626,948)	(9,565,795)
Gross profit		3,838,960	2,503,957
Other income		738,007	865,987
Administrative expenses		(3,048,672)	(2,620,506)
Other operating expenses		(708,317)	(1,492,666)
Profit/(Loss) from operations		819,978	(743,228)
Finance costs		(409,194)	(474,843)
Profit/(Loss) before taxation	6	410,784	(1,218,071)
Taxation	8	-	(77,380)
Profit/(Loss) for the financial year, representing total comprehensive income/(loss) for the financial year		410,784	(1,295,451)

The accompanying notes form an integral part of these financial statements

Company No: 199401043190 (328878 – W)

Company Secretary  
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**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
 (Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION  
 AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	9	5,782,886	1,807,481
<b>CURRENT ASSETS</b>			
Trade receivables	10	2,991,004	5,282,535
Other receivables	11	2,211,510	7,901,509
Amount due from Director	12	10,887,953	7,023,778
Cash and bank balances		97,276	172,229
<b>TOTAL CURRENT ASSETS</b>		<b>16,187,743</b>	<b>20,380,051</b>
<b>TOTAL ASSETS</b>		<b>21,970,629</b>	<b>22,187,532</b>
<b>EQUITY</b>			
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY</b>			
Share capital	13	15,000,000	15,000,000
Accumulated losses		(8,933,766)	(9,344,550)
<b>TOTAL EQUITY</b>		<b>6,066,234</b>	<b>5,655,450</b>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Loan and borrowings	14	623,189	1,200,801
<b>CURRENT LIABILITIES</b>			
Trade payables	15	397,964	1,057,365
Other payables	16	12,092,490	11,174,651
Loan and borrowings	14	1,741,200	1,972,333
Provision for taxation		1,049,552	1,126,932
<b>TOTAL CURRENT LIABILITIES</b>		<b>15,281,206</b>	<b>15,331,281</b>
<b>TOTAL LIABILITIES</b>		<b>15,904,395</b>	<b>16,532,082</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>21,970,629</b>	<b>22,187,532</b>

The accompanying notes form an integral part of these financial statements

**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Equity Attributable to Equity Holder of the Company			
	Issued and fully paid ordinary shares		Accumulated	
	<u>Note</u>	<u>Number of shares</u>	<u>Nominal value RM</u>	<u>losses RM</u>  <u>Total RM</u>
At 1 January 2020		15,000,000	15,000,000	(8,049,099) 6,950,901
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	(1,295,451) (1,295,451)
At 31 December 2020/1 January 2021		15,000,000	15,000,000	(9,344,550) 5,655,450
Profit for the financial year, representing total comprehensive income for the financial year		-	-	410,784 410,784
At 31 December 2021		15,000,000	15,000,000	(8,933,766) 6,066,234

The accompanying notes form an integral part of these financial statements



**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD**  
(Incorporated in Malaysia)

Company Secretary  
MOHD JERRY BIN MD ALI  
SSM PC NO.: 201908001239  
MIA 15662

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) before taxation		410,784	(1,218,071)
Adjustments for:-			
Depreciation of property, plant and equipment	9	694,906	620,311
Loss on disposal of property, plant and equipment		-	860,000
Interest expenses		409,194	474,843
Interest income		-	(226)
Interest income on advances to Directors		(738,007)	(321,952)
Operating profit before working capital changes		776,877	414,905
Changes in working capital:			
Changes in trade and other receivables		7,981,530	(8,306,250)
Changes in trade and other payables		(3,958,020)	541,289
Changes in Director's account		(1,338,403)	9,933,664
Cash generated from operations		3,461,984	2,583,608
Interest paid		(409,194)	(474,843)
Interest received		-	226
Tax paid		(77,380)	-
Net cash flows from operating activities		2,975,410	2,108,991
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Proceeds from disposal of property, plant and equipment		-	3,190,000
Purchase of property, plant and equipment		(469,847)	-
Net cash flows (used in)/from investing activities		(469,847)	3,190,000

The accompanying notes form an integral part of these financial statements

Company No: 199401043190 (328878 – W)

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**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD.**  
 (Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

	<u>Note</u>	<u>2021</u> RM	<u>2020</u> RM
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Net repayment of term loans		(1,853,963)	(3,648,410)
Net repayment of hire purchase payables		(321,579)	(168,011)
Net decrease in factoring facility		(389,485)	(167,688)
Net cash flows used in financing activities		<u>(2,565,027)</u>	<u>(3,984,109)</u>
Net (decrease)/increase in cash and cash equivalents		(59,464)	1,314,882
Cash and cash equivalents at beginning of the year		<u>(1,312,860)</u>	<u>(2,627,742)</u>
Cash and cash equivalents at end of the year	(i)	<u>(1,372,324)</u>	<u>(1,312,860)</u>

**Note:**

- (i) Cash and cash equivalents at end of the year

Cash and cash equivalents comprise the following:

	<u>2021</u> RM	<u>2020</u> RM
Cash and bank balances	97,276	172,229
Less: Bank overdrafts (Note 14)	<u>(1,469,600)</u>	<u>(1,485,089)</u>
Cash and cash equivalents at end of the year	<u>(1,372,324)</u>	<u>(1,312,860)</u>

The accompanying notes form an integral part of these financial statements

Company No: 199401043190 (328878 – W)

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**AHM CONSULTANCY & SECURITY SERVICES SDN. BHD**  
(Incorporated in Malaysia)

Company Secretary  
MOHD JERRY BIN MD ALI  
SSM PC NO.: 201908001239  
MIA 15662

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

**1. GENERAL INFORMATION**

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

The principal activity of the Company is providing security services. There has been no significant change in the nature of this activity during the financial year.

The registered office of the Company is located at No. 2F-1, Jalan Raya 2, Kawasan Perusahaan Seri Kembangan, 43300 Seri Kembangan, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 27, Jalan USJ 21/11, USJ City Centre, 47630 UEP Subang Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with the resolution of the Directors on **07 NOV 2022**

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

**2.1 Statement of compliance**

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

**2.2 Basis of measurement**

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the summary of significant accounting policies in Note 3 to the financial statements.

**2.3 Functional and presentation currency**

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

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

**2.4 Changes in accounting policies**

The accounting policies adopted by the Company are consistent with those adopted in previous financial year except as follows:-

On 1 January 2021, the Company adopted the following amended MFRS and IFRIC Agenda Decision for the first time mandatory for annual financial year beginning on or after 1 January 2021.

- The Conceptual Framework for Financial Reporting (Revised 2018)
- Amendments to MFRS 3, *Definition of a Business*
- Amendments to MFRS 101 and MFRS 108, *Definition of Material*
- Amendments to MFRS 9, MFRS 139 and MFRS 7, *Interest Rate Benchmark Reform*
- Amendments to MFRS 16, *COVID-19 Related Rent Concessions*
- IFRIC November 2019 Agenda Decision, *Lease Term and Useful Life of Leasehold Improvements*

The adoption of the above standards, amendments to published standards and IFRIC Agenda Decision did not have any significant effect on the financial statements of the Company upon their initial application.

**2.5 Standards issued but not yet effective**

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but are not yet effective and have not been adopted by the Company:-

**Effective for annual periods beginning on or after 1 January 2021**

- MFRS 17, *Insurance Contracts*

The Company will adopt the above pronouncement, if applicable, when it becomes effective in the respective annual period.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

**2.6 Use of estimates and judgements**

The preparation of financial statements in conformity with Malaysian Financial Reporting Standards requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

**3.1 Financial instruments**

**a. Initial recognition and measurement**

A financial asset or 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 the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction.

If the arrangement constitutes 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.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.1 Financial instruments (continued)**

**b. Classification and subsequent measurement**

**Financial assets**

The Company classifies its financial assets in the following measurement categories:

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

A financial asset is measured at amortised cost if it meets both of the following conditions:

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

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

**Financial liabilities**

Financial liabilities are classified as measured at amortised cost or Fair Value Through Profit or Loss ("FVTPL"). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.1 Financial instruments (continued)**

**c. Impairment**

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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:

- 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.
- 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.

**d. Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

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

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.2 Property, plant and equipment**

**a. Recognition and measurement**

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

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Cost also may include transfers from equity of any gain or loss on qualifying hedges of foreign currency purchases of property, plant and equipment. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” or “other expenses” respectively in profit or loss.

**b. Subsequent costs**

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

**c. Depreciation**

Property, plant and equipment are depreciated on the straight line method to write off the cost of each category of assets to its residual values over its estimated useful life, summarised as follows:

Computer equipment and software	3 years
Freehold land and building (At valuation)	50 years
Freehold land and building (At cost)	50 years
Furniture and fittings	5 years
Guard house and equipment	5 years
Motor vehicles	5 years
Office equipment	5 years
Renovation and signboard	10 years

Residual values and useful lives are reassessed and adjusted, if appropriate, at each reporting date.



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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.2 Property, plant and equipment (continued)**

**c. Depreciation (continued)**

At each reporting date, the Company assesses whether there is any indication of impairment. If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits, the Company would review its present depreciation method and, if current expectations differ, the Company would amend the residual value, depreciation method or useful life to reflect the new pattern

**3.3 Impairment of non-financial assets**

The carrying amounts of non-financial assets (i.e. property, plant and equipment) 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 companyed together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units.

The recoverable amount of an asset or a cash-generating unit 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 cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (company of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (companys of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, 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.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.4 Receivables**

Receivables are carried at invoice amount less an allowance for impairment. The allowance is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. When the debt becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in the statement of profit or loss.

**3.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of pledged deposits.

**3.6 Share capital**

**(i) Classification**

Ordinary shares and redeemable preference shares with discretionary dividends are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

**(ii) Share issue costs**

External costs directly attributable to the issue of new shares are deducted, net of tax, against proceeds and shown in equity.

**(iii) Dividends to shareholders of the Company**

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Directors except for the final dividend which is subject to approval by the Company's shareholders.

**3.7 Payables**

Payables including accruals, represent liabilities for goods received and services rendered to the Company prior to the end of the financial year and which remain unpaid. Payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.8 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 will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimates of the expenditure expected to be required to settle the obligation by discounting the expected future cash flow at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to obligation. The increase in provision due to passage of time is recognised as interest expense.

The Company provides for estimated liability on projects still under progress at the reporting date. This provision is calculated based on contract agreement or past trends.

**3.9 Income taxes**

The tax expenses for the period comprise current and deferred tax. The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax expenses are determined according to the tax laws of each jurisdiction in which the Company operates and include all taxes based upon the taxable profits, and real property gains taxes payable on disposal of properties.

Deferred tax is recognised in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.10 Leases**

**Accounting as lessee**

From 1 January 2019, leases are recognised as right-of-use (“ROU”) asset and a corresponding liability at the date on which the leased asset is available for use by the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

**(i) Lease term**

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

The Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Company and affects whether the Company is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

**(ii) ROU assets**

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any incentive received;
- Any initial direct cost; and
- Decommissioning or restoration costs.

ROU assets are subsequently measured at cost, less accumulated depreciation and impairment loss, if any. The ROU assets are generally depreciated over the shorter of the asset’s useful life and the lease term on a straight-line basis. In addition, the ROU assets are adjusted for certain remeasurement of these lease liabilities.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.10 Leases (continued)**

**Accounting as lessee (continued)**

**(iii) Lease liabilities**

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- The exercise price of extension options if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The Company presents the lease liabilities within borrowings in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**(iv) Short-term leases and leases of low-value assets**

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of equipment, land and buildings, and network cell sites and all leases of low value assets are recognised on a straight line basis as an expense in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.11 Borrowings**

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets. Other borrowing costs are recognised as an expense in the statement of profit or loss when incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Interest expense, losses and gains relating to a financial instrument, or a component part, classified as a liability is reported within finance costs in the statement of profit or loss.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed is recognised in the statement of profit or loss within finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.12 Employment benefit**

**(i) Short term employee benefits**

Wages, salaries, paid annual leave, bonuses and non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' service up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The Company recognise a provision where contractually obliged or where there is a past practice that created a constructive obligation.

**(ii) Post-employment benefits**

**Defined contribution plan**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity on a mandatory or voluntary basis, and the Company have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior financial years. A defined benefit plan is a pension plan that defines an amount of pension benefit to be provided, usually as a function of one or more factors, such as age, years of service or compensation.

The Company's contributions to defined contribution plans are charged to the statement of profit or loss in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations. The Company recognise a provision when an employee has provided services in exchange for employee benefits to be paid in the future. When contributions to defined contribution plan are not expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service, they shall be discounted to present value.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.13 Revenue and other income recognition**

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. The Company's revenue is shown net of returns, rebates, discounts and amounts collected on behalf of other parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

- (i) Revenue from rendering of security services is recognised in profit and loss when the services are performed.
- (ii) Interest income - on effective interest rate method.

**3.14 Service contracts**

Service contracts are recognised when incurred. When the outcome of a service contract can be estimated reliably, contract revenue are recognised by using the stage of completion method. The stage of completion of the contract is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total costs for the contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion.

When the outcome of a contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

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

The aggregate of the costs incurred and the profit or loss recognised on each contract is compared against the progress billings up to the end of the financial year. Where costs incurred and recognised profit (less recognised losses) exceed progress billings, the balance is shown as 'Amounts due from customers on contracts' under trade and other receivables. Conversely, where progress billings exceed costs incurred and attributable profit, the balance is shown as 'Amounts due to customers on contracts' under trade and other payables.



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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT**

Estimates and judgments are continually evaluated by the Directors and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. To enhance the information content of the estimates, certain key variables that are anticipated to have a material impact on the Company's results and financial position are tested for sensitivity to changes in the underlying parameter. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Estimated useful lives and impairment assessment of property, plant and equipment

The Company reviews annually the estimated useful lives and assesses for indicator of impairment of property, plant and equipment based on factors such as business plans and strategies, historical sector and industry trends, general market and economic conditions, expected level of usage, future technological developments and other available information. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. Any impairment or reduction in the estimated useful lives of property, plant and equipment would increase charges to the statement of profit or loss and decrease their carrying value.

b) Provisions for liabilities and charges

The Company recognises provisions for liabilities and charges when it has a present legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. The recording of provision requires the application of judgments about the ultimate resolution of these obligations. As a result, provisions are reviewed at each reporting date and adjusted to reflect the Company's current best estimate.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**5. REVENUE**

The Company provides security services such as armed and unarmed, cash in transit services, investigation services and security consultants which are on annual service contract basis or a one-time off contract basis. The contract is comprised of a single performance obligation and is satisfied over the contract period. Revenue from the security services are recognised at point in time upon performance of the service to the customer. At the end of the financial year, there is no unsatisfied performance obligation, i.e. unperformed services.

**6. PROFIT BEFORE TAXATION**

	<u>2021</u>	<u>2020</u>
	RM	RM
Profit before taxation is arrived at after charging:-		
Auditors' remuneration		
- current year	25,000	25,000
Depreciation of:		
- Property, plant and equipment	694,906	620,311
Interest expenses on:		
- Bank overdrafts	44,888	94,011
- Hire purchase	42,587	40,245
- Factoring	208,610	210,446
- Term loans	113,109	130,141
Loss on disposal of property, plant and equipment	-	860,000
Rental of:		
- Hostel	-	179,709
- Office	-	2,743
Employee benefits expenses		
(Including Directors' remunerations) (Note 7)	<u>2,041,755</u>	<u>1,652,506</u>
And crediting:		
Interest income	-	376
Interest income on advances to director	<u>738,007</u>	<u>559,326</u>

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**7. EMPLOYEE BENEFITS EXPENSES**

	<u>2021</u>	<u>2020</u>
	RM	RM
(a) Salaries, wages, allowances and overtime	1,696,029	1,447,779
Contribution to Employee Provident Fund	140,726	121,155
Social security contributions	-	18,572
	<u>1,836,755</u>	<u>1,587,506</u>
(b) Directors' remuneration	<u>205,000</u>	<u>65,000</u>
Total employee benefits expenses	<u>2,041,755</u>	<u>1,652,506</u>

**8. TAXATION**

	<u>2021</u>	<u>2020</u>
	RM	RM
Income tax:		
- Current year provision	<u>-</u>	<u>77,380</u>

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

Profit/(Loss) before taxation	<u>410,784</u>	<u>(1,218,071)</u>
Income tax at 17% (2020: 24%)	<u>69,833</u>	<u>(292,337)</u>
Tax effects in respect of :-		
Non allowable expenses	-	505,029
Deferred tax not recognised	(69,833)	-
Utilisation of capital allowances	<u>-</u>	<u>(135,312)</u>
Tax expense for the financial year	<u>-</u>	<u>77,380</u>

The income tax is calculated at the statutory tax rate of 17% (2020: 24%) on the estimated assessable profit for the financial year.

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**9. PROPERTY, PLANT AND EQUIPMENT**

	Freehold land and building RM	Freehold building RM	Computer equipment RM	Furniture and fittings RM	Guards house and equipment RM	Motor vehicles RM	Office equipments RM	Renovation and signboard RM	Total RM
<u>2021</u>									
<u>Cost</u>									
At beginning and end of year	-	1,400,000	90,382	289,840	1,838,758	4,258,811	42,075	268,614	8,188,480
Additions	-	-	-	-	-	469,847	-	-	469,847
At end of year	-	1,400,000	90,382	289,840	1,838,758	4,728,658	42,075	268,614	8,658,327
<u>Accumulated depreciation</u>									
At beginning of year	-	224,000	86,068	274,973	1,654,098	3,853,256	30,454	258,150	6,380,999
Charge for the year	-	28,000	4,313	9,336	57,372	499,495	6,315	-	604,831
At end of year	-	252,000	90,381	284,309	1,711,470	4,352,751	36,769	258,150	6,985,830
<u>Net Carrying Amounts</u>									
At 31.12.2021	-	1,148,000	1	5,531	127,288	375,907	5,306	10,464	1,672,497

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**9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

<u>2020</u>	<u>Freehold land and building</u> RM	<u>Freehold building</u> RM	<u>Computer equipment</u> RM	<u>Furniture and fittings</u> RM	<u>Guards house and equipment</u> RM	<u>Motor vehicles</u> RM	<u>Office equipments</u> RM	<u>Renovation and signboard</u> RM	<u>Total</u> RM
<u>Cost</u>									
At beginning and end of year	4,500,000	1,400,000	90,382	289,840	1,838,758	4,258,811	42,075	268,614	12,688,480
Disposals	(4,500,000)	-	-	-	-	-	-	-	(4,500,000)
At end of year	-	1,400,000	90,382	289,840	1,838,758	4,258,811	42,075	268,614	8,188,480
<u>Accumulated depreciation</u>									
At beginning and Charge for the year	360,000 90,000	196,000 28,000	78,459 7,609	265,637 9,336	1,582,371 71,727	3,447,730 405,526	24,139 6,315	256,352 1,798	6,210,688 620,311
Disposals	(450,000)	-	-	-	-	-	-	-	(450,000)
At end of year	-	224,000	86,068	274,973	1,654,098	3,853,256	30,454	258,150	6,380,999
<u>Net Carrying Amounts</u>									
At 31.12.2020	-	1,176,000	4,314	14,867	184,660	405,555	11,621	10,464	1,807,481

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**9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

- (a) At the reporting date, the net book value of motor vehicles for the Company includes an amount of RM 132,929 (2020: RM 332,929) acquired under hire purchase arrangements.
- (b) The freehold land and building of the Company were pledged for borrowings of the Company as disclosed in Note 14.

**10. TRADE RECEIVABLES**

	<u>2021</u> RM	<u>2020</u> RM
Trade receivables	3,004,177	5,295,708
<b>Less: Allowance for impairment:</b>		
At 31 December	(13,173)	(13,173)
<b>Carrying value</b>	<u>2,991,004</u>	<u>5,282,535</u>

The normal credit terms of trade receivables is 30 to 60 days (2020: 30 to 60 days). Other credit terms are assessed and approved on a case-by-case basis.

**11. OTHER RECEIVABLES**

	<u>2021</u> RM	<u>2020</u> RM
Other receivables	2,099,810	7,789,809
Deposits	111,700	111,700
	<u>2,211,510</u>	<u>7,901,509</u>

**12. AMOUNT DUE FROM DIRECTOR**

Amount due from Directors bears interest rates ranging from 3.40% to 3.49% (2020: 3.51% to 4.64%) per annum based on the bank's average lending rates, unsecured and have no fixed terms of repayment.

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**13. SHARE CAPITAL**

	2021		2020	
	Number of shares	Amount (in RM)	Number of shares	Amount (in RM)
<u>Issued and fully paid up</u>				
Ordinary shares				
At the beginning/end of the year	15,000,000	15,000,000	15,000,000	15,000,000

**14. LOAN AND BORROWINGS**

	Note	2021 RM	2020 RM
<u>Current</u>			
Bank overdrafts (secured)	14.1	1,469,600	1,485,089
Factoring facility	14.2	-	68,964
Term loans	14.3	-	84,051
Hire purchase payables	14.4	271,600	334,229
		<u>1,741,200</u>	<u>1,972,333</u>
<u>Non-current</u>			
Term loans	14.3	-	306,528
Hire purchase payables	14.4	623,189	894,273
		<u>623,189</u>	<u>1,200,801</u>
Total loan and borrowings		<u>2,364,389</u>	<u>3,173,134</u>

**14.1 Bank overdrafts**

The bank overdraft facilities are secured against the fixed deposits with licensed banks together with Memorandum of Deposit (“MOD”) and Letter of Set-off (“LOSO”) duly executed and jointly and severally guaranteed by all the Directors in their own personal capacities. Interest rates during the financial year varied according to the bank’s prevailing base lending rates plus 1.50% (2020: 1.50%) per annum.

**14.2 Factoring facility**

The Company entered into an agreement with a local financial institution to obtain such factoring facility. Upon sales of each invoice to the local financial institution, the Company receives cash of not more than 85% (2020: not more than 85%) of the invoice value. The factoring facility carries an interest rate at 9.0% per annum (2020: 9.0%) calculated on a daily basis from the date of drawdown made and shall remain fixed for the whole financing tenure.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**14. LOAN AND BORROWINGS (CONTINUED)**

**14.3 Term loans**

- (i) Term loan I is repayable commencing May 2013 for 120 monthly installments at RM 16,134 per installment.

Term loan I is secured by 3<sup>rd</sup> party first legal charge over the following:

- a. One unit of 2 storey terraced shop office held under Lot No. PT 226 Seksyen 8, Title No. HSD 22576, Town of Shah Alam, District of Petaling, State of Selangor Darul Ehsan, located at No. 5, Jalan Sejat 8/10, Section 8, 40000 Shah Alam, Selangor;
- b. One unit of a parcel of SOHO Apartment held under Parcel S-01-10 Floor 01, Unit Type C1 – Intermediate Lot under Master Title No. HS(D) 246918, PT 10, Pekan Country Height, District of Petaling, State of Selangor Darul Ehsan, located at S-1-10, One Subang SOHO, Jalan Kemajuan Subang, Off Jalan SS16/1, 47500 Subang Jaya; and
- c. One unit of a parcel of SOHO Apartment held under Parcel S-01-11 Floor 01, Unit Type C1 – Intermediate Lot under Master Title No. HS(D) 246918, PT 10, Pekan Country Height, District of Petaling, State of Selangor Darul Ehsan, located at S-1-11, One Subang SOHO, Jalan Kemajuan Subang, Off Jalan SS16/1, 47500 Subang Jaya.

- (ii) Term loan II is repayable commencing August 2013 for 120 monthly installments at RM 40,334 per installment.

Term loan II is secured by 3<sup>rd</sup> party first legal charge over the following:

- a. Single storey terraced house (corner) held under PT 37247\*36960, HS(D) 34778\*34030, located at No. 208, Jalan Dato Dagang 6, Taman Sentosa Klang, Selangor;
- b. Double storey semi-detached held under Geran 82638, Lot No. 8982, Pekan Sg. Gadut, Daerah Seremban, located at No. 17, Jln TTJS 3, Taman Tuanku Jaafar Selatan, 71400 Seremban, Negeri Sembilan;
- c. Double storey terrace held under PT 943 HSD 122744, Mukim Damansara, District Petaling located at No. 19 Jalan Putra Bahagia 8/4F, Putra Heights, 47610 UEP Subang Jaya, Selangor Darul Ehsan; and
- d. Double storey terrace held under PT 1115 HSD 122916, Mukim Damansara, District Petaling located at No. 22, Jalan Putra Bahagia 8/4E, Putra Heights, 47610 UEP Subang Jaya, Selangor Darul Ehsan.



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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**14. LOAN AND BORROWINGS (CONTINUED)**

**14.3 Term loans (continued)**

- (iii) Term loan III is repayable commencing June 2015 for 180 monthly installments at RM 18, 195 per installment.

Term loan III is secured by 1<sup>st</sup> party first legal charge over 2-storey terrace shop office held under PT 22181, HS(D) 148783, Mukim of Damansara, District of Petaling, Selangor, located at No. 15 Jalan putra Mahkota 7/4A, Section 7, Putra Heights, 47600 Subang Jaya, Selangor.

- (iv) Term loan IV is repayable commencing June 2015 for 180 monthly installments at RM 23,793 per installment.

Term loan IV is secured by 1<sup>st</sup> party first legal charge over 3-storey terrace shop office held under PT 2606, HS(D) 91302, Mukim of Damansara, District of Petaling, State of Selangor, located at No. 27, Jalan USJ 21/11, USJ 21, 47620 UEP Subang Jaya, Selangor.

- (v) Term loan V is repayable commencing June 2013 for 120 monthly installments at RM 7,031 per installment.

Term loan V is secured by 1<sup>st</sup> party first legal charge over one unit Office No. C223A (Level 3, intermediate) held under HS(D) 111072, P.T. No. 8 Mukim Damansara, Jalan Lapangan Terbang Sultan Abdul Aziz Shah, Ara Damansara, Selangor.

- (vi) Term loan VI is repayable commencing June 2012 for 120 monthly installments at RM 7,031 per installment.

Term loan VI is secured by 1<sup>st</sup> party first legal charge over one unit Office No. C225 (Level 3, intermediate) held under HS(D) 111072, P.T. No.8, Mukim Damansara, Jalan Lapangan Terbang Sultan Abdul Aziz Shah, Ara Damansara, Selangor.

- (vii) Term loan VII is repayable commencing June 2012 for 120 monthly installments at RM 8.525 per installment.

Term loan VII is secured by 1<sup>st</sup> party first legal charge over one unit Office No. C225 (Level 3, intermediate) held under HS(D) 111072, P.T. No. 8 Mukim Damansara, Jalan Lapangan Terbang Sultan Abdul Aziz Shah, Ara Damansara, Selangor.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**14. LOAN AND BORROWINGS (CONTINUED)**

**14.3 Term loans (continued)**

(viii) Term loan VIII is repayable commencing September 2012 for 144 monthly installments at RM 30,018 per installment.

Term loan VIII is secured by 3<sup>rd</sup> party second legal charge over an intermediate 4-storey Terraced Shop Office Building held under title HS(D) 100859, PT No. 585, Bandar Shah Alam, Daerah of Petaling, Selangor Darul Ehsan located at No. 10, Jalan Tengku Ampuan Zabedah D/9D, Seksyen 9, 40000 Shah Alam, Selangor Darul Ehsan.

The term loans bear average interest rates of 15.00% (2020: average interest rates of 15.00%) per annum.

**14.4 Hire purchase payables**

	<u>2021</u> RM	<u>2020</u> RM
Repayable within one year	196,059	396,056
Repayable within two to five years	776,517	963,240
Repayable more than five years	-	25,524
	<u>972,576</u>	<u>1,384,820</u>
Future finance charges	(77,787)	(156,318)
	<u>894,789</u>	<u>1,228,502</u>
 Present value of hire purchase :-		
Repayable within one year	271,600	334,229
Repayable within two to five years	623,189	869,589
Repayable more than five years	-	24,684
	<u>894,789</u>	<u>1,228,502</u>
 Presented as :-		
Current liabilities	271,600	334,229
Non current liabilities	623,189	894,273
	<u>894,789</u>	<u>1,228,502</u>

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**15. TRADE PAYABLES**

The Company's normal trade credit terms are ranging from 30 to 90 days (2020: 30 to 90 days). Other credit terms are assessed and approved on case-by-case basis.

**16. OTHER PAYABLES**

	<u>2021</u> RM	<u>2020</u> RM
Other payables	6,657,185	5,168,453
Accruals	5,435,305	6,006,198
	<u>12,092,490</u>	<u>11,174,651</u>

**17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES**

The Company's activities expose it to a variety of financial risks, including liquidity and cash flow risk, interest rate risk, credit risk and capital risk. The Company's overall financial risk management objective is to ensure that the Company creates value for its shareholders. The Company focuses on the unpredictability of financial markets and seeks to minimise potential advance effects on the financial performance of the Company. Financial risk management is carried out through risk reviews, internal control systems and adherence to Company financial risk management policies. The Company does not trade in financial instruments.

**a) Interest rate risk**

Interest rate risks arise mainly from the Company's short-term deposits. The Company's short-term deposits are placed at prevailing interest rates.

**b) Liquidity and cash flow risk**

The Company manages its liquidity and cash flow risks by maintaining sufficient levels of cash or cash convertible investments to meet its working capital requirements.

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**17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

**b) Liquidity and cash flow risk (continued)**

The table below analyses the financial liabilities of the Company into relevant maturity companying based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than <u>1 year</u> RM	Between 1 <u>and 5 years</u> RM	<u>Total</u> RM
<u>At 31 December 2021</u>			
Trade payables	397,964	-	397,964
Other payables	12,092,490	-	12,092,490
Loans and borrowings	1,741,200	623,189	2,364,389
	<u>14,231,654</u>	<u>623,189</u>	<u>14,854,843</u>
<u>At 31 December 2020</u>			
Trade payables	1,057,365	-	1,057,365
Other payables	11,174,651	-	11,174,651
Loans and borrowings	1,972,333	1,200,801	3,173,134
	<u>14,204,349</u>	<u>1,200,801</u>	<u>15,405,150</u>

**c) Credit risk**

The objectives of the Company's credit risk management policies are to manage their exposure to credit risk from deposits, cash and bank balances and derivative financial instruments. They do not expect any third parties to fail to meet their obligations given the Company's policies of selecting creditworthy counterparties.

The Company has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. In respect of trade receivables, the Company has guidelines governing the process of granting credit. Investments and financial transactions are restricted to counterparties that meet the appropriate credit criteria and are of high credit standing.

The Company does not have any significant exposure to any individual customer nor does it have any major concentration of credit risk related to any financial instrument. The maximum exposure to credit risk is represented by the carrying amount of the financial assets in the statement of financial position.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

c) Credit risk (continued)

The Company applies MFRS 9 simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses ("ECL"), trade receivables have been categorised based on shared credit risk characteristics and the days past due. The ECL are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at year end which are grouped together as they are expected to have similar risk nature.

	<u>Gross amount</u> RM	<u>Collective impairment</u> RM	<u>Carrying value</u> RM
<u>At 31 December 2021</u>			
Not past due	52,419	-	52,419
Past due:			
1 to 30 days	175,432	-	175,432
31 to 60 days	269,421	-	269,421
More than 61 days	2,506,905	(13,173)	2,493,732
	<u>3,004,177</u>	<u>(13,173)</u>	<u>2,991,004</u>

	<u>Gross amount</u> RM	<u>Collective impairment</u> RM	<u>Carrying value</u> RM
<u>At 31 December 2020</u>			
Not past due	295,978	-	295,978
Past due:			
1 to 30 days	325,432	-	325,432
31 to 60 days	197,183	-	197,183
More than 61 days	4,477,115	(13,173)	4,463,942
	<u>5,295,708</u>	<u>(13,173)</u>	<u>5,282,535</u>

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

d) Capital risk

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital.

In order to maintain or adjust the capital structure, the Company's may adjust the amount of dividends paid to the shareholder, return capital to shareholder or sell assets to reduce debt.

e) Fair value of financial instruments

The carrying amounts of assets and liabilities of the Company that are classified as current are reasonable approximations of fair values due to their short-term nature and insignificant impact of discounting.

The Company does not have any financial assets or financial liabilities measured at Level 1, Level 2 and Level 3 hierarchy.

f) Categories of financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

	Note	Financial assets at ammortised cost RM	Financial liabilities at ammortised cost RM	Carrying amount RM
<b>2021</b>				
<b>Financial assets</b>				
- Trade receivables	10	2,991,004	-	2,991,004
- Other receivables	11	2,211,510	-	2,211,510
- Amount due from Director	12	14,998,342	-	14,998,342
- Cash and bank balances		97,276	-	97,276
		<u>20,298,132</u>	<u>-</u>	<u>20,298,132</u>

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (CONTINUED)**

f) Categories of financial instruments (continued)

			Financial liabilities at	
	Note	Loans and receivables	ammortised cost	Carrying amount
		RM	RM	RM
<b>2021</b>				
<b>Financial liabilities</b>				
- Trade payables	15	-	397,964	397,964
- Other payables	16	-	12,092,490	12,092,490
- Bank overdrafts	14	-	1,523,920	1,523,920
- Factoring facility	14	-	389,485	389,485
- Term loans	14	-	1,853,963	1,853,963
- Hire purchase payables	14	-	1,216,368	1,216,368
		-	17,474,190	17,474,190
<b>2020</b>				
<b>Financial assets</b>				
- Trade receivables	10	5,282,535	-	5,282,535
- Other receivables	11	7,901,509	-	7,901,509
- Amount due from Director	12	7,023,778	-	7,023,778
- Cash and bank balances		172,229	-	172,229
		20,380,051	-	20,380,051
<b>Financial liabilities</b>				
- Trade payables	15	-	1,057,365	1,057,365
- Other payables	16	-	11,174,651	11,174,651
- Bank overdrafts	14	-	1,485,089	1,485,089
- Factoring facility	14	-	68,964	68,964
- Term loans	14	-	390,579	390,579
- Hire purchase payables	14	-	1,228,502	1,228,502
		-	15,405,150	15,405,150

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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

**18. SIGNIFICANT RELATED PARTY DISCLOSURES**

(a) Identity of related parties

For the purpose of this financial statements, parties are considered to be related to the Company if the Company have the ability to directly control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties refer to companies in which certain Directors of the Company have substantial financial interest and/or are also the Directors of the companies.

(b) Significant related party transactions

The related party transaction and balances in the current financial year were as follows:

	<u>2021</u> RM	<u>2020</u> RM
Related parties		
Advances to	-	(58,435)
	<u>          </u>	<u>          </u>
<u>Key management compensation</u>		
	<u>2021</u> RM	<u>2020</u> RM
Directors' fees	205,000	65,000
	<u>          </u>	<u>          </u>