

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

**FINANCIAL STATEMENTS
FROM 25 FEBRUARY 2021
(DATE OF INCORPORATION)
TO 31 MARCH 2022**

(In Ringgit Malaysia)

**CWC & ENG PLT (LLP0014706-LCA)
CHARTERED ACCOUNTANTS (AF002259)
APPROVED LABUAN AUDITOR (AAL0127)**

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

Corporate Information

BOARD OF DIRECTORS

YEE HONG HO
RUSDI BIN ABU BAKAR
RAJA MOHAMAD FOUZY B RAJA ABDUL LATIF

SECRETARY

HOR YOONG LONE (MACS 01353)

REGISTERED OFFICE

LOT 20-ACD, LEVEL 5, MENARA PANDAN B
PERSIARAN MPAJ, JALAN PANDAN UTAMA
PANDAN INDAH, 55100 KUALA LUMPUR

BUSINESS ADDRESS

27, JALAN SERENDAH 26/41
SEKSYEN 26, 40400 SHAH ALAM
SELANGOR

AUDITORS

CWC & ENG PLT (LLP0014706-LCA)
CHARTERED ACCOUNTANTS (AF002259)
APPROVED LABUAN AUDITOR (AAL0127)
38D, 3RD FLOOR, JALAN RADIN ANUM
BANDAR BARU SRI PETALING
57000 KUALA LUMPUR
TEL : 03-9056 1080 FAX : 03-9056 1096

BANKERS

HSBC BANK MALAYSIA BERHAD
MAYBANK ISLAMC BERHAD
STANDARD CHARTERED BANK MALAYSIA BERHAD

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

INDEX	Page No.
DIRECTORS' REPORT	1 - 5
STATEMENT BY DIRECTORS	6
STATUTORY DECLARATION	6
INDEPENDENT AUDITORS' REPORT	7 - 10
STATEMENTS OF FINANCIAL POSITION	11
STATEMENTS OF COMPREHENSIVE INCOME	12
STATEMENTS OF CHANGES IN EQUITY	13
STATEMENTS OF CASH FLOWS	14 - 15
NOTES TO THE FINANCIAL STATEMENTS	16 - 35

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial period from 25 February 2021 (date of incorporation) to 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are to provide management services and investment holding. The principal activities of the subsidiaries are described in Note 4 to the financial statements.

RESULTS

	Group RM	Company RM
Loss after tax for the financial period	<u>(804,653)</u>	<u>(966,241)</u>
Attributable to:-		
Owners of the Company	<u>(804,653)</u>	<u>(966,241)</u>

DIVIDENDS

No dividends have been paid or declared since the date of incorporation. The directors do not recommend that a dividend to be paid in respect of the current financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

At date of incorporation and during the financial period, the Company has issued the following new shares:

<u>Date of issue</u>	<u>Class of shares</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
25.02.2021	Ordinary shares	3	RM1	RM3	Subscribers' share
28.04.2021	Ordinary shares	1,140,000	RM1	RM1,140,000	Working capital

The new shares issued rank pari passu in respect of the distribution of dividends and repayment of capital with the existing shares.

The Company did not issue any debentures during the financial period.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial period to take up unissued shares of the Company.

No shares have been issued during the financial period by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial period, there were no unissued shares of the Company under options.

DIRECTORS

The directors of the Company in office at any time during the financial period and since the end of the financial period up to the date of this report are:

Yee Hong Ho	(First director)
Rusdi Bin Abu Bakar	(First director)
Raja Mohamad Fouzy B Raja Abdul Latif	(First director)

The names of directors of the Company's subsidiaries who served during the financial period until the date of this report are similar to those disclosed above.

DIRECTORS' BENEFITS

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the object or objects of enabling 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 date of incorporation, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings under section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial period in the ordinary shares of the Company and its related corporations during the financial period are as follows:

	Number of Ordinary Shares			
	At 25.02.2021 (date of incorporation)	Bought	Sold	At 31.03.2022
<u>Direct Interest</u>				
Yee Hong Ho	1	380,000	-	380,001
Rusdi Bin Abu Bakar	1	380,000	-	380,001
Raja Mohamad Fouzy B Raja Abdul Latif	1	380,000	-	380,001

By virtue of their shareholdings in the Company, Yee Hong Ho, Rusdi Bin Abu Bakar and Raja Mohamad Fouzy B Raja Abdul Latif are deemed to have interests in shares in its related corporation during the financial period to the extent of the Company's interest, in accordance with Section 8 of the Companies Act 2016.

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company and its subsidiaries during the financial period, as follows:

	Group RM	Company RM
Directors' contribution plan	82,980	82,980
Directors' remunerations and short term benefits	<u>713,040</u>	<u>713,040</u>
	<u>796,020</u>	<u>796,020</u>

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company or any of its subsidiaries during the financial period.

No payment has been paid to or receivable by any third party in respect of the services provided to the Company or any of its subsidiaries by the directors or past directors of the Company during the financial period.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given to or insurance effected for, during or since the end of the financial period, any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the statements of comprehensive income and the statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

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

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

As at the date of this report, there does not exist:

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

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 period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

- (a) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial period in which this report is made.

Company No.: 202101006770 (1407069-X)

AUDITORS' REMUNERATIONS

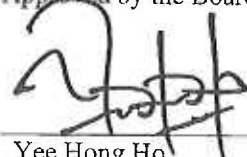
Total amounts paid to or receivable by the auditors as remunerations for their services as auditors of the Company and its subsidiaries are as follows:

	Group 2022 RM	Company 2022 RM
Statutory audit	<u>19,400</u>	<u>9,000</u>
	<u>19,400</u>	<u>9,000</u>

AUDITORS

The retiring auditors, Messrs. CWC & ENG PLT, have indicated their willingness to be re-appointed.

Approved by the Board and signed on behalf of the Directors



Yee Hong Ho
Director



Rusdi Bin Abu Bakar
Director

Kuala Lumpur

Dated this: **18 AUG 2022**

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES


STATEMENT BY DIRECTORS
Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **RFY ACES (M) SDN. BHD.** state that, in the opinion of the directors, the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows together with the notes thereof are 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 Group and of the Company as at 31 March 2022 and financial performance of the Group and of the Company for the financial period from 25 February 2021 (date of incorporation) to 31 March 2022.

Approved by the Board and signed on behalf of the Directors



Rusdi Bin Abu Bakar
Director



Yee Hong Ho
Director

Kuala Lumpur

Dated this: **18 AUG 2022**

STATUTORY DECLARATION
Pursuant to Section 251 (1) (b) of the Companies Act 2016

I, **YEE HONG HO**, NRIC NO: **691130-08-5459**, the director primarily responsible for the financial management of **RFY ACES (M) SDN. BHD.**, do solemnly and sincerely declare that the accompanying statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows together with the notes thereof are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
above-named **YEE HONG HO**, NRIC NO:
691130-08-5459 (New) at **KUALA LUMPUR** in
the state of **FEDERAL TERRITORY** on this
18 AUG 2022

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)
)
)
)



YEE HONG HO

Before me,



No. 25-1, Tingkat 1,
Jalan Radin Bagus, Sri Petaling
57000 Kuala Lumpur

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY ACES (M) SDN. BHD.
AND ITS SUBSIDIARIES**

Company No.: 202101006770 (1407069-X)
(Incorporated in Malaysia)

31 MARCH 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RFY ACES (M) SDN. BHD.**, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2022, and of their financial performance and their cash flows for the financial period 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 Group and 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.

Emphasis Matter

We draw attention to Note 21 to the financial statements, which describes the effects of the World Health Organisation declaration of a global health emergency on 31 January 2020 relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY ACES (M) SDN. BHD.
AND ITS SUBSIDIARIES**

Company No.: 202101006770 (1407069-X)
(Incorporated in Malaysia)

31 MARCH 2022

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 Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY ACES (M) SDN. BHD.
AND ITS SUBSIDIARIES**

Company No.: 202101006770 (1407069-X)
(Incorporated in Malaysia)

31 MARCH 2022

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY ACES (M) SDN. BHD.
AND ITS SUBSIDIARIES**

Company No.: 202101006770 (1407069-X)
(Incorporated in Malaysia)

31 MARCH 2022

Other Matters

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



**CWC & ENG PLT (LLP0014706-LCA)
CHARTERED ACCOUNTANTS (AF002259)**



ENG GUO MIAO

03297/04/2023 J

CHARTERED ACCOUNTANT

Dated this: **18 AUG 2022**
Kuala Lumpur

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group RM	Company RM
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiaries	4	-	1,500,001
Investment in an associate	5	-	-
Plant and equipment	6	10,389	10,389
Intangible assets	7	3,000	3,000
		<u>13,389</u>	<u>1,513,390</u>
CURRENT ASSETS			
Trade receivables	8	1,284,066	141,250
Other receivables, deposits and prepayments	9	224,434	248,072
Bank balances	10	386,704	178,599
		<u>1,895,204</u>	<u>567,921</u>
TOTAL ASSETS		<u><u>1,908,593</u></u>	<u><u>2,081,311</u></u>
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Share capital	11	1,140,003	1,140,003
Accumulated losses		<u>(804,653)</u>	<u>(966,241)</u>
TOTAL EQUITY		<u>335,350</u>	<u>173,762</u>
NON-CURRENT LIABILITY			
Deferred tax liabilities	12	<u>909</u>	<u>909</u>
CURRENT LIABILITIES			
Trade payables	13	12,503	-
Other payables and accruals	14	638,599	1,027,794
Amount due to directors	15	846,901	841,449
Current tax liabilities		<u>74,331</u>	<u>37,397</u>
		<u>1,572,334</u>	<u>1,906,640</u>
TOTAL LIABILITIES		<u>1,573,243</u>	<u>1,907,549</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,908,593</u></u>	<u><u>2,081,311</u></u>

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

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022

	Note	Group RM	Company RM
Revenue	16	4,602,354	1,940,000 ✓
Cost of sales		<u>(2,367,833)</u>	<u>-</u>
Gross profit		2,234,521	1,940,000 ✓
Administration expenses		(1,823,934)	(1,727,935)
Other operating expense	17	<u>(1,140,000)</u>	<u>(1,140,000)</u>
Loss before tax	18	(729,413)	(927,935)
Income tax expense	19	<u>(75,240)</u>	<u>(38,306)</u>
Loss for the financial period		(804,653)	(966,241)
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the financial period		<u>(804,653)</u>	<u>(966,241)</u>
LOSS AFTER TAXATION ATTRIBUTABLE TO:			
Owners of the Company		<u>(804,653)</u>	<u>(966,241)</u>
		<u>(804,653)</u>	<u>(966,241)</u>
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:			
Owners of the Company		<u>(804,653)</u>	<u>(966,241)</u>
		<u>(804,653)</u>	<u>(966,241)</u>

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

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022

Group		Share capital	Accumulated losses	Total
	Note	RM	RM	RM
As at 25 February 2021 (date of incorporation)		3	-	3
Issue of shares during the financial period	11	1,140,000	-	1,140,000
Total comprehensive loss for the financial period		<u>-</u>	<u>(804,653)</u>	<u>(804,653)</u>
As at 31 March 2022		<u>1,140,003</u>	<u>(804,653)</u>	<u>335,350</u>

Company		Share capital	Accumulated losses	Total
	Note	RM	RM	RM
As at 25 February 2021 (date of incorporation)		3	-	3
Issue of shares during the financial period	11	1,140,000	-	1,140,000
Total comprehensive loss for the financial period		<u>-</u>	<u>(966,241)</u>	<u>(966,241)</u>
As at 31 March 2022		<u>1,140,003</u>	<u>(966,241)</u>	<u>173,762</u>

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

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022

	Note	Group RM	Company RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(729,413)	(927,935)
Adjustments for:			
Depreciation of plant and equipment		611	611
Impairment loss on investment in an associate		1,140,000	1,140,000
Operating profit before working capital changes		411,198	212,676
Increase in trade receivables		(1,284,066)	(141,250)
Increase in other receivables, deposits and prepayments		(224,434)	(248,072)
Increase in trade payables		12,503	-
Increase in other payables and accruals		638,599	1,027,794
Net cash (used in)/from operating activities		<u>(446,200)</u>	<u>851,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Subscription of share capital in subsidiaries		-	(1,500,001)
Investment in an associate		(1,140,000)	(1,140,000)
Purchase of intangible assets		(3,000)	(3,000)
Purchase of plant and equipment		(11,000)	(11,000)
Net cash used in investing activities		<u>(1,154,000)</u>	<u>(2,654,001)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from directors		846,901	841,449
Proceeds from issuance of ordinary shares		1,140,000	1,140,000
Net cash from financing activities		<u>1,986,901</u>	<u>1,981,449</u>

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

Company No.: 202101006770 (1407069-X)

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022 (CONT'D)

	Note	Group RM	Company RM
Net increase in cash and cash equivalents		386,701	178,596
Cash and cash equivalents at date of incorporation		<u>3</u>	<u>3</u>
Cash and cash equivalents at end of the financial period		<u>386,704</u>	<u>178,599</u>
Cash and cash equivalents comprise:			
Bank balances	10	<u>386,704</u>	<u>178,599</u>

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

RFY ACES (M) SDN. BHD.
(Incorporated in Malaysia)
AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 25 FEBRUARY 2021 (DATE OF INCORPORATION)
TO 31 MARCH 2022

1 GENERAL INFORMATION

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

The registered office is located at Lot 20-ACD, Level 5, Menara Pandan B, Persiaran MPAJ, Jalan Pandan Utama, Pandan Indah, 55100 Kuala Lumpur.

The principal place of business is located at 27, Jalan Serendah 26/41, Seksyen 26, 40400 Shah Alam, Selangor.

The principal activities of the Company are to provide management services and investment holding. The principal activities of the subsidiaries are described in Note 4 to the financial statements.

The average number of employees employed by the Group and the Company as at 31 March 2022 was 28 and 10, respectively.

The financial statements of each entity in the Group are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia. For the purpose of the consolidated financial statements, the financial statements of each entity are expressed in Ringgit Malaysia, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ('MPERS') and the requirements of the Companies Act 2016.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets and liabilities.

The principal accounting policies adopted are set out below:

2.1 CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the parent and its subsidiaries. Subsidiaries are entities controlled by the parent. Control exists when the parent has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are accounted for in the Company's separate financial statements at cost less any accumulated impairment losses.

The income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date until the date on which the parent ceases to control the subsidiary. When a parent ceases to control a subsidiary, any difference between the proceeds from the disposal of a subsidiary and the carrying amount as at the date that control is lost is recognised in profit or loss in the consolidated statement of comprehensive income as gain or loss on the disposal of the subsidiary. The cumulative amount of any exchange differences that related to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events and conditions in similar circumstances.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. Non-controlling interests are also separately disclosed in the consolidated statement of comprehensive income.

All intragroup balances, transactions, including income and expenses are eliminated in full.

2.2 BUSINESS COMBINATIONS

Business combinations are accounted for by applying the purchase method. The cost of a business combination is measured at the aggregate of the fair values, at the date of acquisition, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquiree, plus any costs directly attributable to the business combination.

At the acquisition date, the Group allocates the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities at their fair values, except for a deferred tax asset or liability arising from assets acquired and liabilities assumed in a business combination and a liability or asset, if any, related to the acquiree's employee benefit arrangements. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recorded as goodwill. Any non-controlling interests in the acquiree is measured at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

If, after reassessment, the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised exceeds the cost of the business combination, the excess is recognised immediately in profit or loss.

In the consolidated financial statements, non-controlling interest in the net assets of a subsidiary is included in equity. The Group treats changes in parent's controlling interest in a subsidiary that does not result in a loss of control as transactions with equity holders in their capacity as equity holders. Accordingly, the carrying amount of the non-controlling interest is adjusted to reflect the change in the parent's interest in the subsidiary's net assets. Any difference between the amount by which the non-controlling interest is so adjusted and the fair value of the consideration paid or received, if any, are recognised directly in equity and attributed to equity holders of the parent. A gain or loss on these changes and the change in the carrying amounts of assets (including goodwill) or liabilities as a result of such transactions is not recognised.

2.3 PLANT AND EQUIPMENT

All items of plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

When significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment and are depreciated separately.

All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation of other plant and equipment is calculated in order to write off the cost on a straight-line basis over their expected useful lives of plant and equipment concerned. The principal annual rates used are:

Computer	33.33%
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Depreciation of an asset begins when it is ready for its intended use.

Residual values and useful lives of assets are reviewed, and adjusted, if appropriate, at end of each reporting date. The Company carries out assessment on residual values and useful lives of assets on an annual basis. There was no adjustment arising from the assessment performed in the financial year.

At end of each reporting date, the Company assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount of the assets disposed and are included in profit or loss from operations.

2.4 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amount of the non-financial assets (i.e. plant and equipment and intangible assets) are reviewed at the end of each reporting date to determine whether there is any indication of impairment. If any such indication exists, 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.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less cost 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 risk specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and 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 amortization, if no impairment loss had been recognised. Reversal of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

2.5 INTANGIBLE ASSETS

Intangible assets are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other directly attributable cost of preparing the asset for its intended use.

Subsequent to initial recognition, the intangible assets are stated at cost less accumulated amortisation and any impairment losses. Amortisation is recognised in profit or loss on a straight-line method to write off the depreciable amount of the assets over the useful life as follows:

Trademark	10%
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The amortisation method, useful life and residual value will be reviewed if there is 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. Any changes are accounted for as a change in accounting estimate.

Expenditure initially recognised as an expense is not recognised as an asset in the subsequent period.

2.6 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are measured in the statement of financial position of the Company at cost less any impairment losses. The cost of the investments includes transaction costs.

2.7 INVESTMENT IN ASSOCIATES

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the associate but is not control or joint control over those policies.

Investment in associates, other than those for which there is a published price quotation, are accounted for in the Company's separate financial statements at cost less any accumulated impairment losses.

In the separate financial statements of the Company, investments in associates are stated at cost less any impairment losses. The cost of the investment includes transaction costs. Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition. Any gain or loss arising from the disposal of an associate is recognised in profit or loss.

On acquisition of the investment in an associate, the Group accounts for the difference between the cost of acquisition and the Group's share of the fair values of the net identifiable assets of the assets in accordance with policy of recognising "goodwill". Share of the associate's profits or losses after acquisition is adjusted to account for additional depreciation or amortisation of the associate's depreciation or amortisable assets, including goodwill, on the basis of the excess of their fair values over their carrying amounts at acquisition date.

If there is an indication that an investment in an associate may be impaired, the Group test the entire carrying amount of the investment for impairment as a single asset. Any goodwill included as part of the carrying amount of the investment in the associate is not tested separately for impairment but, as part of the test for impairment of the investment as a whole.

Unrealised profits or losses on transactions entered into between the Group and associates are eliminated to the extent of the Group's interest in the associates.

2.8 IMPAIRMENT OF ASSETS, OTHER THAN GOODWILL, INVENTORIES AND FINANCIAL ASSETS

At each reporting date, the Group and the Company assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and 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.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell, value in use and zero.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

2.9 FINANCIAL INSTRUMENT

A financial asset or liability is recognised in the statement of financial position when, and only when, the Group and Company becomes a party to the contractual provision 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 payment discounted at a market rate of interest for a similar debt instrument.

i) Financial Assets

On initial recognition, financial assets are classified two categories: financial assets measured at fair value through profit or loss or financial assets that are debt instruments measured at amortised cost using the effective interest method.

After initial recognition, the Group and Company measures investment in publicly traded ordinary shares and preference shares at their fair value by reference to the active market prices, if observable, or otherwise by a valuation technique, without any deduction for transaction costs it may incur on sale or other disposal. For investment in unquoted equity instruments and whose fair value cannot be reliably measured at measured at cost less impairment.

Investment in debt instruments are measured at amortised cost using the effective interest method.

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

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Group and Company would receive for the asset if it were to be sold at the reporting date.

A financial asset or part of it is derecognized 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 assets 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.

ii) Financial Liabilities

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for derivatives instruments that are liabilities, which are measured at fair value.

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

iii) Equity

The Group and Company classifies and presents an issued financial instrument, on initial recognition as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

Instruments classified as equity are measured at cost and not remeasured subsequently. Issue cost are deducted from equity, net of any related income tax effect.

Ordinary shares are classified as equity.

2.10 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statements of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

2.11 LEASES

i) Operating Leases

The leased assets are not recognised on the statement of financial position of the Group and Company. Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expenses over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

2.12 REVENUE

The Group and Company measures revenue from a sale of goods or rendering of services at the fair value of the consideration received or receivable, which is usually the invoice price, net of any trade discounts and volume rebates given to the customer.

i) Sales Of Goods

Revenue is recognised when a) significant risks and rewards of ownership have been transferred to the customer; b) the Group and Company retains neither continuing managerial involvement or control; c) it is probable that the economic benefits associated with the transaction will flow the Group and Company d) the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably.

ii) Rendering Of Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the end of the reporting period. The stage of completion is assessed by reference to work performed.

2.13 EMPLOYMENT BENEFITS

i) *Short-Term Employment Benefits*

Wages, salaries, bonuses, annual leaves and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and Company.

ii) *Defined Contribution Plan*

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Group and Company.

2.14 INCOME TAX

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expenses is the expected tax payable on the taxable income for the year, using tax rates enacted by the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Temporary differences are not recognised on the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the end of reporting date.

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

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 CRITICAL JUDGEMENTS IN APPLYING THE ACCOUNTING POLICIES

The judgements, apart from those involving estimations described below, that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements, other than those disclosed in the Notes, are as follows:

i) Classification of Finance and Operating Leases

The Company classifies a lease as a finance lease or an operating lease based on the criterion of the extent to which significant risks and rewards incident to ownership of the underlying asset lie. As a lessee, the Company recognises a lease as a finance lease if it is exposed to significant risks and rewards incident to ownership of the underlying asset. In applying judgements, the Company considers whether there is significant economic incentive to exercise a purchase option and any optional renewal periods. All other leases that do not result in a significant transfer of risks and rewards are classified as operating leases.

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than those disclosed in the Notes, are as follows:

i) Depreciation of Plant and Equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. The estimated useful lives applied by the Company as disclosed in Note 2.3 to the financial statements reflects the Company's estimate of the period that the Company expects to derive future economic benefits from the use of the Company's property, plant and equipment. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets; therefore future depreciation charges could be revised.

ii) Income Taxes

Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are transactions during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes tax liabilities based on estimates of whether additional taxes would be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred tax provisions in the period in which such determination is made.

iii) Impairment of Receivables

The Group and the Company makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

iv) Impairment of Investments in Associates

The Group and the Company determines whether an item of its investments in associates is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value or future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgments made regarding estimates of future cash flows and discount rates. The carrying amount of investments in associates as at the reporting date is disclosed in Note 2.7 to the financial statements.

4 INVESTMENT IN SUBSIDIARIES

	Company RM
Investment in subsidiaries	1,500,001
Less: Accumulated impairment losses	-
	<u>1,500,001</u>

Details of the Company's subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Equity interest (%) 2022
Euro Facade Lights System Sdn. Bhd. ("EFLSSB")	Malaysia	Design, engineering, supply, trading and installation of lighting systems	100
Euro Facade Solar System Sdn. Bhd. ("EFSSSB")	Malaysia	Design, engineering, supply, trading and installation of solar energy systems	100
RFY Services Sdn. Bhd. ("RSSB")	Malaysia	Design fabrication supply and installation of architectural exteriors facades and internal partition system for commercial and residential buildings and project management and related services	100

During the current financial period, the Company incorporated and subscribed the share capital in the following subsidiaries:

- RM750,000 share capital in Euro Facade Lights System Sdn. Bhd. ("EFLSSB")
- RM1 share capital in Euro Facade Solar System Sdn. Bhd. ("EFSSSB")
- RM750,000 share capital in RFY Services Sdn. Bhd. ("RSSB")

5 INVESTMENT IN AN ASSOCIATE

	Company RM
Unquoted shares, at cost	1,140,000
Less: Accumulated impairment losses	<u>(1,140,000)</u>
	<u>-</u>

Details of the Company's associate is as follows:

Name of associate	Country of incorporation	Principal activities	Equity interest (%) 2022
Euro Facade Tech Export Sdn. Bhd. ("EFTESB")	Malaysia	Design, fabrication, supply and installation of architectural exteriors facades and internal partition system for commercial and residential buildings	40

6 PLANT AND EQUIPMENT

Group and Company	As at 25 February 2021 (date of incorporation) RM	Additions RM	Disposals RM	As at 31 March 2022 RM
<u>Cost</u>				
Computer	-	11,000	-	11,000
	-	11,000	-	<u>11,000</u>

	As at 25 February 2021 (date of incorporation) RM	Charges for the financial period RM	Disposals RM	As at 31 March 2022 RM
<u>Accumulated Depreciation</u>				
Computer	-	611	-	611
	-	611	-	<u>611</u>

	RM
<u>Carrying Amounts</u>	
Computer	<u>10,389</u>
	<u>10,389</u>

28

8 TRADE RECEIVABLES

	Group RM	Company RM
Trade receivables, at cost	1,284,066	141,250
Less: Accumulated impairment losses	-	-
	<u>1,284,066</u>	<u>141,250</u>

Included in trade receivables of the Company is RM126,250 owing by a subsidiary.

Included in trade receivables of the Group and of the Company are RM15,000 and RM15,000 owing by a related company respectively.

The normal trade credit terms granted to the customers ranges from 30 to 90 days. All short-term receivables are measured at undiscounted amounts because the effect of discounting is immaterial.

9 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group RM	Company RM
Other receivables, at cost	70,000	125,451
Deposits, at cost	126,200	106,200
Prepayments	28,234	16,421
	<u>224,434</u>	<u>248,072</u>

Included in other receivables of the Company of RM55,451 is owing by subsidiaries.

Included in other receivables of the Group and of the Company of RM20,000 and RM20,000 are owing by a related company respectively.

The outstanding amount is unsecured, interest-free and repayable on demand. All short-term receivables are measured at undiscounted amounts because the effect of discounting is immaterial.

10 BANK BALANCES

	Group RM	Company RM
Cash at bank	386,704	178,599
	<u>386,704</u>	<u>178,599</u>

11 SHARE CAPITAL

Group and Company	Number of shares	RM
Issued and fully paid ordinary shares		
At date of incorporation	3	3
Issued during the financial period	1,140,000	1,140,000
At end of the financial period	1,140,003	1,140,003

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

At date of incorporation and during the financial period, the Company has issued the following new shares:

<u>Date of issue</u>	<u>Class of share</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
25.02.2021	Ordinary shares	3	RM1	RM3	Subscribers' shares
28.04.2021	Ordinary shares	1,140,000	RM1	RM1,140,000	Working capital

The new shares issued rank pari passu in respect of the distribution of dividends and repayment of capital with the existing shares.

12 DEFERRED TAX LIABILITIES

Group and Company

	Plant and equipment RM	Total RM
<u>Deferred Tax Liabilities</u>		
At 25 February 2021 (date of incorporation)	-	-
Charge to profit or loss	909	909
At 31 March 2022	909	909

13 TRADE PAYABLES

The normal trade credit terms granted to the Group ranges from 30 to 90 days. All short-term payables are measured at undiscounted amounts because the effect of discounting is immaterial.

14 OTHER PAYABLES AND ACCRUALS

	Group RM	Company RM
Other payables	204,322	626,983
Accruals	114,277	50,811
Deposits	<u>320,000</u>	<u>350,000</u>
	<u>638,599</u>	<u>1,027,794</u>

Included in deposits of the Group of:

- (a) RM300,000 is owing to associate; and
- (b) RM20,000 is owing to related company

Included in other payables of the Company of:

- (a) RM444,548 is owing to subsidiary; and
- (b) RM138,857 is owing to associate

Included in deposits of the Company of:

- (a) RM30,000 is owing to subsidiary; and
- (b) RM300,000 is owing to associate; and
- (c) RM20,000 is owing to related company

The outstanding amount is unsecured, interest-free and repayable on demand. All short-term payables are measured at undiscounted amounts because the effect of discounting is immaterial.

15 AMOUNT DUE TO DIRECTORS

This amount is non-trade in nature, unsecured, interest-free and repayable on demand. All short-term payables are measured at undiscounted amounts because the effect of discounting is immaterial.

16 REVENUE

	Group RM	Company RM
Sales of goods	2,758,604	-
Rendering of services	<u>1,843,750</u>	<u>1,940,000</u>
	<u>4,602,354</u>	<u>1,940,000</u>

17 OTHER OPERATING EXPENSE

	Group RM	Company RM
Impairment loss on investment in an associate	1,140,000	1,140,000
	<u>1,140,000</u>	<u>1,140,000</u>

18 LOSS BEFORE TAX

DISCLOSURE ITEMS

	Group RM	Company RM
This is stated after charging:		
Audit fee	19,400	9,000
Depreciation of plant and equipment	611	611
Directors' contribution plan	82,980	82,980
Directors' remunerations and short term benefits	713,040	713,040
E.P.F. contributions		
- charged to cost of sales	218,546	-
- charged to administration expenses	59,868	59,868
EIS contributions		
- charged to cost of sales	1,646	-
- charged to administration expenses	567	567
HRDF fund		
- charged to cost of sales	4,230	-
- charged to administration expenses	2,985	2,985
Incorporation fee	12,040	3,010
Impairment loss on investment in an associate	1,140,000	1,140,000
Rental of office	185,000	185,000
Salaries, allowances and bonus		
- charged to cost of sales	1,903,494	-
- charged to administration expenses	492,714	492,714
SOCSSO contributions		
- charged to cost of sales	14,856	-
- charged to administration expenses	5,121	5,121
Wages, incentive and bonus	29,469	2,773

19 INCOME TAX EXPENSE

	Group RM	Company RM
Current tax expense		
Current financial period		
- Malaysia	74,331	37,397
	<u>74,331</u>	<u>37,397</u>
Deferred tax expense		
Temporary differences	909	909
	<u>909</u>	<u>909</u>
Total income tax expense	<u>75,240</u>	<u>38,306</u>

The income tax expense is reconciled to the accounting loss at the applicable tax rate as follows:

	Group RM	Company RM
Loss before tax	(729,413)	(927,935)
Tax at Malaysian statutory tax rate	(175,059)	(222,704)
Tax effects of:		
Non-deductible expenses	280,907	276,410
Differential tax rate for small and medium companies in Malaysia	(30,608)	(15,400)
Total income tax expense	<u>75,240</u>	<u>38,306</u>

20 RELATED PARTY TRANSACTIONS

Identities of Related Parties

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

Related parties of the Company include:

- (i) the holding company;
- (ii) subsidiaries of holding company; and
- (iii) key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(a) Significant related party transactions and balances

In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial period:

	Group RM	Company RM
Transactions with subsidiary		
- Management fee	-	96,250
Transaction with associate		
- Management fee	1,828,750	1,828,750
- Rendering of services	2,758,604	-
Transaction with related company		
- Management fee	15,000	15,000

The related party transactions described above were carried out based on negotiated terms and conditions mutually agreed with the respective related parties.

(b) Compensation of key management personnel

	Group RM	Company RM
Directors' contribution plan	82,980	82,980
Directors' remunerations and short term benefits	713,040	713,040
	796,020	796,020

21 SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The World Health Organisation declared the 2019 Novel Coronavirus infection a pandemic on 31 January 2020. The Coronavirus (COVID-19) pandemic continues to impact communities and business throughout the world including Malaysia, and the communities where the Company operates. The pandemic will likely to have a financial impact for the Company in the 2022 financial period and beyond. The scale, timing and duration of the potential impacts on the Company are unknown, however, could materially impact the carrying value or amounts realised in respect of: receivables, plant and equipment, and other assets and liabilities disclosed in the 31 March 2022 financial report. The Company cannot, however, reasonably estimate the impact of these potential items at this time. The Company continues to monitor market developments and will reflect any relevant impacts in the appropriate future reporting periods.

22 COMPARATIVE FIGURES

These are the first set of the Company's financial statements since its date of incorporation. Hence, no comparative figures are presented.

23 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 18 AUG 2022.

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