


AZYMA GROUP SDN. BHD.

Company No : 201701046708 (1260884-K)
(Incorporated in Malaysia)

Reports and Financial Statements
For The Financial Year Ended 31 December 2021



Company No: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

CONTENTS	PAGES
Corporate Information	
Directors' Report	1
Statement by Directors	6
Statutory Declaration	7
Independent Auditors' Report	8
Statement of Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes In Equity	14
Statement of Cash Flows	15
Notes to the Financial Statements	16

Company No: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

Board of Directors : Mohd Apandi Bin Hussian
: Ahmad Zaiem Bin Ismail

Company Secretary : Norzilla Binti Ahmad Kamaruzaman (MIA 38553)

Registered Office : SG-01-07 First Floor
Ayuman Suites
Jalan Sentosa 2
53100 Gombak
Selangor

Principal Place of Business : A-G-1 Diamond Residence
Jalan Semarak Api 3
Off Jalan Gombak
53000 Kuala Lumpur

Auditors : Afrizan & Associates (AF 1224)
No. 2, Jalan Rampai Niaga 2
Rampai Business Park
53300 Kuala Lumpur

Principal Banker : Malayan Banking Berhad

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

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 ACTIVITIES

The Company is principally engaged in the business of manufactures, wholesale or retail dealers of consumer and household, products, skincare and cosmetic products. There have been no significant changes in the nature of the activities during the year.

RESULTS

	2021 RM
Net profit for the financial year	<u>89,810</u>

DIVIDENDS

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

RESERVES AND PROVISIONS

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

SHARE CAPITAL

During the financial year, the Company has issued RM98, 000 paid up share capital. The newly issued shares rank pari passu with the existing share capital.

DIRECTORS

The directors of the Company in office at any time during the year or since the end of the year are:

Mohd Apandi Bin Hussian
Ahmad Zaiem Bin Ismail

AZYMA GROUP SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' BENEFITS

During and at the end of the year, 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 end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments 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' shareholding under section 59 of the Companies Act, 2016, the interests of directors in office at the end of the year in the ordinary shares of the Company and its related corporations during the year are as follows:

	Number of ordinary shares			At 31-Dec-21
	At 1-Jan-21	Bought	Sold	
Mohd Apandi Bin Hussian	1,000	49,000	-	50,000
Ahmad Zaiem Bin Ismail	1,000	49,000	-	50,000

DIRECTORS' REMUNERATIONS

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

	2021 RM
Directors' remuneration	<u>120,000</u>

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company during the 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 or past directors of the Company during the year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

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

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, 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 of 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 Company; 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 financial statements which would render any amount stated in the financial statements of the Company misleading.

As of 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 year and secures the liability of any other person; or
- b) any contingent liability of the Company which has arisen since the end of the year.

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

In the opinion of the directors:

- a) the results of the operations of the Company during the year 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 year and the date of this report which is likely to affect substantially the results of operations of the Company for the year in which this report is made.

Company No: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	2021 RM
Statutory audit	<u>3,000</u>

Company No.: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

AUDITORS

The auditors, Messrs. AFRIZAN & ASSOCIATES, have indicated their willingness to be re-appointed.

Approved and signed by the Directors,



MOHD APANDI BIN HUSSIAN
Director



AHMAD ZAIEM BIN ISMAIL
Director

Kuala Lumpur, Malaysia

Dated: 30 JUN 2022

Company No.: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT, 2016**

The directors of AZYMA GROUP SDN. BHD. state that, in their opinion, the accompanying financial statements of the Company are properly drawn up in accordance with Malaysian Private Entities Reporting Standard and the provisions of the Companies Act, 2016 so as to give a true and fair view of their financial performance as at 31 December 2021 and of the changes in equity, and their cash flows for the financial year ended on that date.

Approved and signed by the Directors,



MOHD APANDI BIN HUSSIAN
Director



AHMAD ZAIEM BIN ISMAIL
Director

Kuala Lumpur, Malaysia

Dated: 30 JUN 2022

Company No.: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

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

I, AHMAD ZAIEM BIN ISMAIL, the director primarily responsible for the financial management of AZYMA GROUP SDN. BHD., do solemnly and sincerely declare that the accompanying financial statements of the Company, are to the best my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the }
above-named AHMAD ZAIEM BIN }
ISMAIL at Kuala Lumpur in the Federal }
Territory this day of 30 JUN 2022 }



AHMAD ZAIEM BIN ISMAIL

Before me,

Commissioner for Oaths

Kuala Lumpur, Malaysia



50A-1, Jalan Kemuja
Bangsar Utama,
59000 Kuala Lumpur

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AZYMA GROUP SDN. BHD.**

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AZYMA GROUP SDN. BHD., which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 23.

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 its financial performance and flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AZYMA GROUP SDN. BHD. (CONT'D)**

(Incorporated in Malaysia)

**Information Other than the Financial Statements and Auditors' Report Thereon
(cont'd)**

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.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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
AZYMA GROUP SDN. BHD. (CONT'D)**
(Incorporated in Malaysia)

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 judgment and maintain professional scepticism throughout the audit. We also:

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

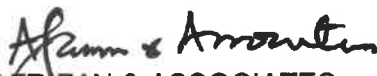
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Registration No.: 201701046708 (1260884-K)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
AZYMA GROUP SDN. BHD. (CONT'D)**
(Incorporated in Malaysia)

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.


AFRIZAN & ASSOCIATES
AF 1224
Chartered Accountants


DATUK MOHD AFRIZAN DATO' HUSAIN
Chartered Accountant (M)
01805/11/2022 J
Partner

Kuala Lumpur, Malaysia
Dated: 30 JUN 2022

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

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

	Note	2021 RM	2020 RM
Revenue	3	501,253	221,439
Cost of sales	4	101,377	(89,620)
Gross profit		602,630	131,819
Other operating expenses		(515,302)	(118,290)
Profit before tax	5	87,328	13,529
Tax expense	6	2,482	(2,482)
Profit for the financial year		89,810	11,047

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Non-current assets			
Property, plant and equipment	7	3,853	2,719
Intangible asset	8	910	1,300
Total non-current assets		<u>4,763</u>	<u>4,019</u>
Current assets			
Investment in associate	9	330,000	-
Inventories	10	255,841	-
Trade receivables		16,356	-
Deposit and prepayment		7,500	-
Cash and bank balances		38,121	56,052
Total current assets		<u>647,818</u>	<u>56,052</u>
Total assets		<u>652,581</u>	<u>60,071</u>
Equity and liabilities			
Capital and reserves			
Share capital	11	100,000	2,000
Accumulated losses		(13,658)	(103,468)
Total equity/(shareholders' deficit)		<u>86,342</u>	<u>(101,468)</u>
Current liabilities			
Amount due to directors	12	52,839	130,816
Amount due to associate	13	388,000	-
Other payables and accruals		125,400	28,241
Tax payable		-	2,482
Total current liabilities		<u>566,239</u>	<u>161,539</u>
Total equity and liabilities		<u>652,581</u>	<u>60,071</u>

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Share capital RM	Accumulated losses RM	Total RM
As at 1 January 2020	2,000	(114,515)	(112,515)
Net profit for the financial year	-	11,047	11,047
As at 31 December 2020	<u>2,000</u>	<u>(103,468)</u>	<u>(101,468)</u>
As at 1 January 2021	2,000	(103,468)	(101,468)
Issuance of new shares	98,000	-	98,000
Net profit for the financial year	-	89,810	89,810
As at 31 December 2021	<u>100,000</u>	<u>(13,658)</u>	<u>86,342</u>

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

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

	2021 RM	2020 RM
Cash flows from operating activities		
Profit before taxation	87,328	13,529
<i>Adjustments:</i>		
Amortisation	390	-
Depreciation of property, plant and equipment	1,236	555
Operating profit before working capital changes	88,954	14,084
<i>Changes in working capital:</i>		
Associate company	58,000	-
Inventory	(255,841)	-
Trade receivables	(16,356)	-
Deposit and prepayment	(7,500)	-
Other payables and accruals	97,159	23,541
Director's account	(77,977)	13,217
Cash (used in)/generated from operating activities	(113,561)	50,842
Tax paid	-	-
Net cash (used in)/generated from operating activities	(113,561)	50,842
Cash flows from investing activity		
Purchase of property, plant and equipment	(2,370)	(1,130)
Purchase of intangible asset	-	(1,300)
Net cash used in investing activity	(2,370)	(2,430)
Cash flows from financing activity		
Issuance of share capital	98,000	-
Net cash generated from financing activity	98,000	-
Net (decrease)/increase in cash and cash equivalents	(17,931)	48,412
Cash and cash equivalents at the beginning of year	56,052	7,640
Cash and cash equivalents at the end of the year	38,121	56,052

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

1. GENERAL INFORMATION

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

The Company is principally engaged in the business of manufactures, wholesale or retail dealers of consumer and household, products, skincare and cosmetic products. There have been no significant changes in the nature of the activities during the year.

The registered office of the Company is located at SG-01-07, Tingkat 1, Ayuman Suite, Jalan Sentosa 2, 53100 Gombak, Selangor.

The principal place of office of the Company is located at A-G-1 Diamond Residence, Jalan Semarak Api 3, Off Jalan Gombak, 53000 Kuala Lumpur.

2. SIGNIFICANT ACCOUNTING POLICIES

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

a) Basis of preparation

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

b) Revenue recognition

(i) Goods sold

Revenue from the sales of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, traded discount and volume rebates. Revenue is recognised when the significant risk and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Rendering of services

Revenue from rendering of services is measured by reference to the stage of completion of the transaction at the reporting date.

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 25 JUNE 2020
(DATE OF INCORPORATION) TO 31 DECEMBER 2021 (CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Employee benefits

(i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Company's contributions to statutory pension funds are charged to profit or loss in the period to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

(ii) Defined benefits plans

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

d) Income tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

AZYMA GROUP SDN. BHD.

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Income tax (cont'd)

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

e) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset 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. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, except for freehold land and buildings.

Except for freehold land and properties under construction which are not depreciated, depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<u>Rate</u>
Computer equipment	20%
Mobile equipment	20%

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

f) Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified. An estimate is made for doubtful debts based on a review of all outstanding amounts at the financial year ended.

g) Payables

Payable are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received.

h) Provisions

A provision is recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

i) Cash and cash equivalents

Cash and cash equivalents represent cash balances, fixed deposits with licensed bank and bank overdrafts and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Intangible asset

Acquired identifiable intangible assets of intellectual property is recognised as an asset and initially measured at cost, which is the fair value of the consideration paid.

3. REVENUE

Revenue represents the invoiced value of goods and services rendered less discount and return.

4. COST OF SALES

	2021	2020
	RM	RM
Purchases	154,464	89,620
Closing inventories	(255,841)	-
	<u>(101,377)</u>	<u>89,620</u>

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived after charging the following items:

	2021	2020
	RM	RM
Auditors' remuneration	3,000	2,000
Depreciation of property, plant and equipment	1,236	555
Directors' remuneration	120,000	4,000

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

6. TAXATION

	2021 RM	2020 RM
Tax provision for the year	-	2,482
Tax overprovision in previous year	(2,482)	-
	<u>(2,482)</u>	<u>2,482</u>

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

	2021 RM	2020 RM
Profit before taxation	<u>87,328</u>	<u>13,529</u>
Malaysian income tax rate 17%	14,846	2,300
Non deductible expenses	276	182
Utilisation of tax losses	(15,122)	-
Overprovision in previous year	(2,482)	-
	<u>(2,482)</u>	<u>2,482</u>

7. PROPERTY, PLANT AND EQUIPMENT

	Computers RM	Mobile equipment RM	Total RM
Cost			
As at 1 January 2021	3,810	-	3,810
Additions	-	2,370	2,370
As at 31 December 2021	<u>3,810</u>	<u>2,370</u>	<u>6,180</u>
Accumulated depreciation			
As at 1 January 2021	1,091	-	1,091
Depreciation charged during the year	762	474	1,236
As at 31 December 2021	<u>1,853</u>	<u>474</u>	<u>2,327</u>
Net book value			
As at 31 December 2021	<u>1,957</u>	<u>1,896</u>	<u>3,853</u>
As at 31 December 2020	<u>2,719</u>	<u>-</u>	<u>2,719</u>

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

8. INTANGIBLE ASSET

	2021 RM	2020 RM
Trademark	1,300	1,300
Amortisation during the year	<u>(390)</u>	<u>-</u>
	<u>910</u>	<u>1,300</u>

9. INVESTMENT IN ASSOCIATE

	2021 RM	2020 RM
Unquoted shares at cost	<u>330,000</u>	<u>330,000</u>

10. INVENTORIES

	2021 RM	2020 RM
Finished goods	<u>255,841</u>	<u>-</u>

11. SHARE CAPITAL

	2021 Units	2021 RM	2020 Units	2020 RM
Issued and fully paid shares:				
As at 1 January 2021	2,000	2,000	2,000	2,000
Issued during the year	98,000	98,000	-	-
As at 31 December 2021	<u>100,000</u>	<u>100,000</u>	<u>2,000</u>	<u>2,000</u>

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.

12. AMOUNT DUE TO DIRECTORS

The amount due to Directors bear no interest, unsecured and has no fixed terms of repayment.

Company No: 201701046708 (1260884-K)

AZYMA GROUP SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

13. AMOUNT DUE TO ASSOCIATE

The amount due to associate bear no interest, unsecured and has no fixed terms of repayment.

14. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on the date of this financial statement.

AZYMA GROUP SDN. BHD.

(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	2021 RM	2020 RM
Revenue	501,253	221,439
Cost of sales	101,377	(89,620)
Gross profit	602,630	131,819
Operating expenses		
Accommodation	275	-
Accounting fee	2,400	1,500
Advertising	98,438	19,882
Amortisation	390	-
Auditors' remuneration	3,000	2,000
Bank charges	28	46
Bonus	4,400	500
Commission	8,686	10,916
Consultant fee	-	12,515
Courier charges	42,092	5,824
Depreciation	1,236	555
Directors' remuneration	120,000	4,000
Electricity	3,305	1,743
EPF, SOCSO & EIS	14,359	2,759
Gifts	15,839	-
Insurance	222	-
License fee	-	200
Marketing and promotion	8,214	-
Medical fee	241	-
Office rental	16,300	11,615
Petrol, toll and parking	5,760	1,970
Printing and stationery	23,579	4,472
Rental copier	1,640	-
Repair and maintenance	1,460	-
Salaries	121,124	20,712
Secretarial fee	2,100	1,970
Seminar and training	529	650
Sponsorship	-	514
Telephone and multimedia	4,493	809
Travelling expenses	4,839	1,779
Uniform	2,707	4,028
Upkeep of office	7,591	6,519
Utilities	55	812
	515,302	118,290
Profit before taxation	87,328	13,529

This schedule does not form part of the audited statutory financial statements

(For Management Purposes Only)