

Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

**FINANCIAL STATEMENTS
FROM 11 MARCH 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.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

Corporate Information

BOARD OF DIRECTORS

RUSDI BIN ABU BAKAR
YEE HONG HO
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, MALAYSIA

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 ISLAMIC BERHAD
STANDARD CHARTERED BANK MALAYSIA BERHAD

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Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD FROM 11 MARCH 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

The directors hereby submit their report together with the audited financial statements of the Company for the financial period from 11 March 2021 (date of incorporation) to 31 March 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are design fabrication supply and installation of architectural exteriors facades and internal partition system for commercial and residential buildings and project management and related services.

RESULTS

	RM
Profit after tax for the financial period	<u>174,688</u>

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 share</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
11.3.2021	Ordinary share	1	RM1.00	RM1	Subscriber's share
1.7.2021	Ordinary share	749,999	RM1.00	RM749,999	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:

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

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 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

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

The interests of Rusdi Bin Abu Bakar, Yee Hong Ho and Raja Mohamad Fouzy B Raja Abdul Latif in shares in the Company and its related corporations during the financial year are disclosed in the directors' report of the holding company.

DIRECTORS' REMUNERATIONS

None of the directors or past directors of the Company have received any remunerations from the Company during the financial period.

None of the directors or past directors of the Company have received any other benefits otherwise than in cash from the Company 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 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 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 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 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 at the date of this report, there does not exist:

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

HOLDING COMPANY

The Company is a subsidiary of RFY Aces (M) Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the holding company.

Company No.: 202101008823 (1409122-D)


AUDITORS' REMUNERATIONS

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

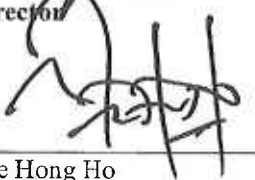
	2022 RM
Statutory audit	5,800
	<u>5,800</u>

AUDITORS

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



Rusdi Bin Abu Bakar
Director



Yee Hong Ho
Director

Kuala Lumpur
Dated this: **1 8 AUG 2022**


Company No.: 202101008823 (1409122-D)

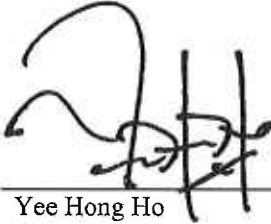
RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

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

The directors of **RFY SERVICES SDN. BHD.** state that, in the opinion of the directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement 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 Company as at 31 March 2022 and financial performance of the Company for the financial period from 11 March 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: **1 8 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 SERVICES SDN. BHD.**, do solemnly and sincerely declare that the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement 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

1 8 AUG 2022


YEE HONG HO

Before me



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY SERVICES SDN. BHD.**

Company No.: 202101008823 (1409122-D)
(Incorporated in Malaysia)

31 MARCH 2022

Report on the Audit of the Financial Statements***Opinion***

We have audited the financial statements of **RFY SERVICES SDN. BHD.**, which comprise the statement of financial position as at **31 March 2022**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 22.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 March 2022**, and of its financial performance and its 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 Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Emphasis Matters

We draw attention to Note 15 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 SERVICES SDN. BHD.**

Company No.: 202101008823 (1409122-D)
(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 Company and our auditors' report thereon.

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

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

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

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
RFY SERVICES SDN. BHD.**

Company No.: 202101008823 (1409122-D)
(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 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RFY SERVICES SDN. BHD.**

Company No.: 202101008823 (1409122-D)
(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

Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	RM
ASSETS		
CURRENT ASSETS		
Trade receivables	4	1,190,462
Deposits and prepayments	5	61,813
Bank balances	6	170,302
		<u>1,422,577 ✓</u>
TOTAL ASSETS		<u>1,422,577 ✓</u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	7	750,000
Retained earnings	8	174,688 ✓
TOTAL EQUITY		<u>924,688 ✓</u>
CURRENT LIABILITIES		
Other payables and accruals	9	455,503
Amount due to directors	10	5,452
Current tax liabilities		36,934
		<u>497,889 ✓</u>
TOTAL LIABILITIES		<u>497,889</u>
TOTAL EQUITY AND LIABILITIES		<u>1,422,577</u>

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

Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD FROM 11 MARCH 2021 (DATE OF INCORPORATION) TO
31 MARCH 2022

	Note	RM
Revenue	11	2,680,000 ✓
Cost of sales		<u>(2,292,842)</u>
Gross profit		387,158 ✓
Administration expenses		<u>(175,536)</u>
Profit before tax	12	211,622
Income tax expense	13	<u>(36,934)</u>
Profit for the financial period		174,688
Other comprehensive income, net of tax		<u>-</u>
Total comprehensive income for the financial period		<u><u>174,688</u></u> ✓

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

Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 11 MARCH 2021 (DATE OF INCORPORATION) TO
31 MARCH 2022**

	Note	Share capital RM	Retained earnings RM	Total RM
As at 11 March 2021 (date of incorporation)	7	1	-	1
Issue of shares during the financial period	7	749,999	-	749,999
Total comprehensive income for the financial period		-	174,688	174,688
As at 31 March 2022		750,000	174,688	924,688

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

Company No.: 202101008823 (1409122-D)

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 11 MARCH 2021 (DATE OF INCORPORATION) TO
31 MARCH 2022

	Note	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax/Operating profit before working capital changes		211,622
Increase in trade receivables		(1,190,462)
Increase in deposits and prepayments		(61,813)
Increase in other payables and accruals		455,503
Net cash used in operating activities		<u>(585,150)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances from directors		5,452
Proceeds from issuance of shares		749,999
Net cash from financing activities		<u>755,451</u>
Net increase in cash and cash equivalents		170,301
Cash and cash equivalents at date of incorporation		<u>1</u>
Cash and cash equivalents at end of the financial period		<u><u>170,302</u></u>
Cash and cash equivalents comprise:		
Bank balances	6	<u><u>170,302</u></u>

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

RFY SERVICES SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 11 MARCH 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, 40400 Shah Alam, Selangor, Malaysia.

The principal activities of the Company are design fabrication supply and installation of architectural exteriors facades and internal partition system for commercial and residential buildings and project management and related services.

The Company is a subsidiary of RFY Aces (M) Sdn. Bhd., a company incorporated in Malaysia, which is also regarded by the directors as the holding company.

The average number of employees employed by the Company as at 31 March 2022 was 18.

The financial statements of the Company 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.

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 FINANCIAL INSTRUMENTS

A financial asset or liability is recognised in the statement of financial position when, and only when, the 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 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 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 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.

2.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement 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.

2.3 REVENUE

The 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 Company retains neither continuing managerial involvement or control; c) it is probable that the economic benefits associated with the transaction will flow the Company d) the amount of revenue and cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 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 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 Company.

2.5 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

There are no critical judgements made by management in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

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) *Impairment of Receivables*

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.

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.

4 TRADE RECEIVABLES

	RM
Trade receivables, at cost	<u>1,190,462</u>
	<u>1,190,462</u>

Included in trade receivables of RM1,190,462 is owing by a related company.

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

5 DEPOSITS AND PREPAYMENTS

	RM
Deposits, at cost	50,000
Prepayments	<u>11,813</u>
	<u>61,813</u>

Included in deposit of RM30,000 is owing by holding company.

All short-term receivables are measured at undiscounted amounts because the effect of discounting is immaterial.

6 BANK BALANCES

	RM
Cash at bank	<u>170,302</u>
	<u>170,302</u>

7 SHARE CAPITAL

	Number of shares Units	RM
Issued and fully paid ordinary shares		
At date of incorporation	1	1
Issued during the financial period	749,999	749,999
At end of the financial period	750,000	750,000

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>
11.3.2021	Ordinary share	1	RM1.00	RM1	Subscriber's share
1.7.2021	Ordinary share	749,999	RM1.00	RM749,999	Working capital

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

8 RETAINED EARNINGS

During the financial period, the Company is under single-tier tax system, tax on the Company's chargeable income is a final tax and any dividend distributed will be exempted from tax in the hands of shareholders.

9 OTHER PAYABLES AND ACCRUALS

	RM
Other payables	398,137
Accruals	57,366
	455,503

Included in other payables of RM176,250 is owing to related company.

Included in other payables of RM200,000 is owing to holding 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.

10 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.

11 REVENUE

RM

Rendering of services	2,680,000
	<u>2,680,000</u>

12 PROFIT BEFORE TAX

DISCLOSURE ITEMS

RM

This is stated after charging:

Audit fee	5,800
EIS contributions	
- charged to cost of sales	1,646
E.P.F contributions	
- charged to cost of sales	218,546
HRDF levy contribution	
- charged to cost of sales	4,230
Incorporation fee	3,010
Salaries, allowances and bonus	
- charged to cost of sales	1,903,494
SOCSSO contributions	
- charged to cost of sales	14,856
Wages, incentive and bonus	<u>26,696</u>

13 INCOME TAX EXPENSE

RM

Current tax expense

Current financial period	
- Malaysia	<u>36,934</u>
Total income tax expense	<u>36,934</u>

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

	RM
Profit before tax	211,622
Tax at Malaysian statutory tax rate	50,789
Tax effects of:	
Differential tax rate for small and medium enterprises in Malaysia	(15,208)
Non-deductible expenses	1,353
Total income tax expense	36,934

14 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 transaction and balances

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

	RM
Transactions with the related companies within the group	
- Revenue	2,680,000
- Management fee expenses	(96,250)

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

There is no compensation of Directors or other key management personnel during the financial period.

15 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 year 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 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.

16 COMPARATIVE FIGURES

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

17 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on

18 AUG 2022

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