

TAC MEDIA SDN. BHD.
 Company No.: 201301017038 (1046871-D)
 (Incorporated in Malaysia)

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

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Directors' Interests In Shares Or Debentures

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company during the financial year except as follows:

	Number of ordinary shares			
	As at <u>1.1.2021</u>	<u>Acquired</u>	<u>Disposed</u>	As at <u>31.12.2021</u>
<u>Direct Interest:</u>				
ANGELINE HILDA CUTTER	999,960	40	-	1,000,000

Directors' Remuneration

Details of Directors' remuneration are set out in Note 19 to the financial statements.

Share Options

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

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

Indemnity And Insurance For Directors, Officers And Auditors

There was no indemnity given to or insurance effected for any Director, officer or auditor of the Company during the financial year.

Other Statutory Information

- (a) Before the financial statements of the Company were prepared, the Director took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Director is not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Company misleading; or
 - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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TAC MEDIA SDN. BHD.

STATEMENT BY DIRECTORS

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

I, the Director of TAC MEDIA SDN. BHD., do hereby state that, in the opinion of the Director, the accompanying financial statements set out are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and financial performance of the Company for the financial year ended on that date in accordance with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

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



ANGELINE HILDA CUTTER

Director

Petaling Jaya

Date: **15 JUN 2022**

STATUTORY DECLARATION

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

I, ANGELINE HILDA CUTTER (I/C No.: 711125-07-5278), the Director primarily responsible for the financial management of TAC MEDIA SDN. BHD., do solemnly and sincerely declare that the financial statements set out 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
abovenamed at Subang Jaya
in Selangor Darul Ehsan
on **15 JUN 2022**



ANGELINE HILDA CUTTER

Before me



COMMISSIONER FOR OATHS, UMPAH
ALAMAT PEGUAM SELANGOR DARUL EHSAN
PEGUAM SELANGOR DARUL EHSAN
39-2, Jalan USJ 19/1D
47620 Subang Jaya
Selangor Darul Ehsan

WONG YIN CHUNG & CO

CHARTERED ACCOUNTANTS (FIRM NO.: AF 1387)

Unit 213, Lobby 4, Block A, Damansara Intan, No.1, Jalan SS20/27, 47400 Petaling Jaya, Selangor D.E.

Tel: 03-2858 7031, 03-7496 1549 E-mail: yinchung.wong@gmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAC MEDIA SDN. BHD.

Company No.: 201301017038 (1046871-D)

31 DECEMBER 2021

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.

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 RM	2020 RM
NON-CURRENT ASSETS			
Property, plant and equipment	4	162,857	172,322
Intangible assets	5	164,772	212,839
CURRENT ASSETS			
Trade receivables	6	3,905,284	4,855,045
Other receivables, deposits and prepayments	7	164,617	28,713
Due from directors	13	1,887,943	1,814,558
Cash and bank balances	8	461,337	1,266,665
		6,419,181	7,964,981
CURRENT LIABILITIES			
Trade payables	9	4,938,037	5,819,404
Other payables and accruals	10	158,032	218,825
Finance lease payables	11	40,301	34,433
Bank borrowings	12	189,744	189,744
Current tax liabilities		(190,029)	(5,541)
		5,136,085	6,256,865
NET CURRENT ASSETS		1,283,096	1,708,116
		<u>1,610,725</u>	<u>2,093,277</u>
Financed by:			
CAPITAL AND RESERVES			
Share capital	15	1,000,000	1,000,000
(Accumulated losses) / Retained profits	16	(297,344)	94,142
		<u>702,656</u>	<u>1,094,142</u>
NON-CURRENT LIABILITIES			
Finance lease payables	11	135,133	175,434
Bank borrowings	12	772,936	810,256
Deferred taxation	14	-	13,445
		<u>1,610,725</u>	<u>2,093,277</u>

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

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STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2021

	Share Capital RM	Retained Profits / (Accumulated Losses) RM	Total RM
At 1 January 2020	100	576,637	576,737
Issue of shares	999,900	-	999,900
Profit after taxation	-	117,505	117,505
Dividends (Note 21)	-	(600,000)	(600,000)
At 31 December 2020	<u>1,000,000</u>	<u>94,142</u>	<u>1,094,142</u>
Loss after taxation	-	(391,486)	(391,486)
At 31 December 2021	<u>1,000,000</u>	<u>(297,344)</u>	<u>702,656</u>

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

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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 principal activities of the Company consist of providing advertising services including creative, printing, media, marketing events and related activities. There have been no significant changes in the nature of these activities during the financial year.

The Company's registered office is located as follows:

No. 43-A, Jalan Tiara, Tiara Square,
Taman Perindustrian UEP,
47600 Subang Jaya, Selangor Darul Ehsan.

The Company's principal place of business is located as follows:

Suite B 111, Block B (Level 1),
Kelana Square, No. 17, Jalan SS7/26, Kelana Jaya,
47301 Petaling Jaya, Selangor Darul Ehsan.

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 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.

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 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.

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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 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.

2.4 Financial Assets

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

i) Financial Assets At Fair Value Through Profit Or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

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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.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

v) Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

2.5 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.

2.6 Liabilities And Equity

i) Classification Of Liabilities And Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

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Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

iii) Loan Commitments Measured At Cost Less Impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

iv) Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

2.8 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.

2.9 Leases

i) Finance Leases

Leases of property, plant and equipment are classified as finance lease where substantially all the risks and benefits incidental to the ownership of the assets, but not the legal ownership, are transferred to the Company.

The Company initially recognises its rights of use and obligations under finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments, determined at the inception of the leases. Any initial direct costs are added to the amount recognised as an asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the effective interest method. A finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as an expense in the period in which they are incurred.

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2.13 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.

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 carryforward 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.

TAC MEDIA SDN. BHD.**4. Property, Plant And Equipment**

	At 1.1.2021 RM	Additions RM	Disposals RM	At 31.12.2021 RM
<u>Cost</u>				
Computer equipment	34,524	6,949	-	41,473
Furniture and fittings	10,763	31,028	-	41,791
Motor vehicles	325,163	-	-	325,163
Office equipment	42,590	5,388	-	47,978
Renovation	17,854	46,237	-	64,091
	<u>430,894</u>	<u>89,602</u>	<u>-</u>	<u>520,496</u>

	At 1.1.2021 RM	Charge for the year RM	On Disposals RM	At 31.12.2021 RM
<u>Accumulated Depreciation</u>				
Computer equipment	25,867	5,420	-	31,287
Furniture and fittings	8,213	7,674	-	15,887
Motor vehicles	195,096	65,032	-	260,128
Office equipment	17,550	9,590	-	27,140
Renovation	11,846	11,351	-	23,197
	<u>258,572</u>	<u>99,067</u>	<u>-</u>	<u>357,639</u>

	2021 RM	2020 RM
<u>Carrying Amount</u>		
Computer equipment	10,186	8,657
Furniture and fittings	25,904	2,550
Motor vehicles	65,035	130,067
Office equipment	20,838	25,040
Renovation	40,894	6,008
	<u>162,857</u>	<u>172,322</u>

The carrying amounts of the property, plant and equipment under finance lease of the Company are as follows:

	2021 RM	2020 RM
Motor vehicles	65,035	130,067
	<u>65,035</u>	<u>130,067</u>

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9. Trade Payables

	2021 RM	2020 RM
Trade payables	<u>4,938,037</u>	<u>5,819,404</u>

The normal trade credit terms granted to the Company ranges from 30 days to 90 days.

10. Other Payables And Accruals

	2021 RM	2020 RM
Accruals	63,384	52,560
Other payables	<u>94,648</u>	<u>166,265</u>
	<u>158,032</u>	<u>218,825</u>

11. Finance Lease Payables

	2021 RM	2020 RM
Minimum lease payments		
Not later than 1 year	45,924	45,924
Later than 1 year and not later than 5 years	135,745	181,669
Later than 5 years	-	-
	<u>181,669</u>	<u>227,593</u>
Future finance charges	(6,235)	(17,726)
Present value of finance lease	<u>175,434</u>	<u>209,867</u>
Present value of finance lease is analysed as follows:		
Not later than 1 year	40,301	34,433
Later than 1 year and not later than 5 years	<u>135,133</u>	<u>175,434</u>
Later than 5 years	-	-
	<u>135,133</u>	<u>175,434</u>
	<u>175,434</u>	<u>209,867</u>

The Company obtains finance lease facilities to finance the acquisition of certain motor vehicles. Implicit interest rates of the finance lease of 5.64% (2020: 5.64%) per annum are fixed at the date of the agreements, and the amount of lease payments are fixed throughout the lease period. There is no significant restriction clauses imposed on the finance lease arrangements.

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15. Share Capital

	Number of shares			
	2021	2020	2021	2020
	Units	Units	RM	RM
Issued and fully paid:				
At 1 January	1,000,000	100	1,000,000	100
Issued during the financial year	<u>-</u>	<u>999,900</u>	<u>-</u>	<u>999,900</u>
At 31 December - ordinary shares with no par value	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

The Companies Act 2016, which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital.

There were no new ordinary shares or debentures issued during the financial year.

16. (Accumulated losses) / Retained Profits

During the year, 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.

17. Revenue

	2021	2020
	RM	RM
Rendering of services	<u>16,027,091</u>	<u>24,622,674</u>

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20. Income Tax Expense

	2021 RM	2020 RM
Current tax expense	-	58,904
(Over) / Under provision of income tax for prior years	(8,289)	4,357
Deferred tax expense	(13,445)	7,356
Total income tax expense	<u>(21,734)</u>	<u>70,617</u>

Reconciliation of income tax expense applicable to (loss) / profit before taxation at the statutory rate to income tax expense at the effective income tax rate of the Company is as follows:

	2021 RM	2020 RM
(Loss) / Profit before taxation	<u>(413,220)</u>	<u>188,122</u>
Tax at statutory income tax rate of 17%	(70,247)	31,981
Tax effects of expenses disallowed for tax purposes	52,170	34,279
(Over) / Under provision of income tax for prior years	(8,289)	4,357
Deferred tax not recognised	4,632	-
	<u>(21,734)</u>	<u>70,617</u>

21. Dividends

	2021 RM	2020 RM
Dividends of RM nil (2020: RM0.60) per share	<u>-</u>	<u>600,000</u>

22. Employees Information

The number of employees at the end of the financial year was 20 (2020: 15).

23. Authorisation For Issue Of The Financial Statements

The financial statements of the Company were authorised for issue by the Board of Directors on **15 JUN 2022**

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SCHEDULE OF ADMINISTRATIVE EXPENSES

For the financial year ended 31 December 2021

	2021	2020
	RM	RM
ADMINISTRATIVE EXPENSES		
Audit fees	12,000	15,000
Bank charges	2,125	6,899
Consultancy fees	4,980	-
Directors' allowances	-	1,059
Directors' EPF contribution	32,284	38,168
Directors' salaries	266,794	312,952
Directors' SOCSO contribution	1,415	1,847
Documentation fees	10,298	2,040
Insurance and road tax	44,587	50,001
Legal and professional fees	79,385	10,302
Management fees	2,464	2,465
Medical expenses	7,883	3,895
Penalties	12	(200)
Processing fees	225	-
Secretarial fees and disbursements	5,195	1,595
Stamp duty	13,901	10
Taxation fees	2,200	2,645
	485,748	448,678

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.