

Company No:- 201501015163(1140496 - T)

AWESOME INNOVATION SDN. BHD.
(Incorporated in Malaysia)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2021**

**ZAMZURI & CO. (AF 1315)
Chartered Accountants (Malaysia)**

AWESOME INNOVATION SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTOR: Shahrizal Bin Muhamad Masri

SECRETARY: Ruzaidie Bin Rashid (MIA 32578)

AUDITORS: Zamzuri & Co. (AF 1315)
Akauntan Bertauliah / Chartered Accountants
No. 10-1B, Jalan Pandan 3/10
Pandan Jaya
55100 Kuala Lumpur.

REGISTERED OFFICE: 16-5-2, Blok F,
Diamond Square Commercial Centre,
Jalan Semarak Api 3,
Off Jalan Gombak,
53300 Setapak, Kuala Lumpur.

BUSINESS ADDRESS: Unit F-073, Level 1,
Season Square, Jalan PJU 10/3C,
Damansara Damai,
47830 Petaling Jaya, Selangor.

BANKERS: RHB Islamic Bank Berhad
Maybank Islamic Berhad
Affin Bank Berhad

PRINCIPAL ACTIVITIES: The Company is principally engaged in general contractor, dealer in agriculture products, and other related activities.

COUNTRY OF INCORPORATION: Malaysia

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AWESOME INNOVATION SDN. BHD.
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DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements of the Company for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES

The Company is principally engaged in general contractor, dealer in agriculture products, and other related activities.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Profit after taxation	100,900
Accumulated profits brought forward	99,188
Accumulated profits carried forward	200,088

DIVIDENDS

There were no dividends proposed, declared or paid during the financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the year.

DIRECTOR

The names of the director of the Company in office since the date of the last report and as the date of this report is:

Shahrizal Bin Muhamad Masri

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DIRECTORS' BENEFITS

Neither at the end of the financial year, nor any time during that year did there subsist any arrangements, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of previous financial statement, 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 any 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

The following directors who held office at the end of the financial year had according to the register required to be kept under Section 59 of the Company Act 2016, an interest in shares of the Company, as stated below:

	Balance as at 01.07.2020	Number of Ordinary Shares		
		Bought	Sold	Balance as at 30.06.2021
Shahrizal Bin Muhamad Masri	2,000,000	-	-	2,000,000

OTHER STATUTORY INFORMATION

- (a) Before the income statement and the balance sheets of the Company were out, the directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of the 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 realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors of the Company are not aware of any circumstances not otherwise dealt with in this report of financial statements of the Company, which would render:
- (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent; and

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OTHER STATUTORY INFORMATION (Continued)

- (ii) the values attributed to current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company, which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liabilities of any other person; or
 - (ii) any contingent liabilities in respect of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the directors;
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within year of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration is disclosed in the note 15 to the financial statement.

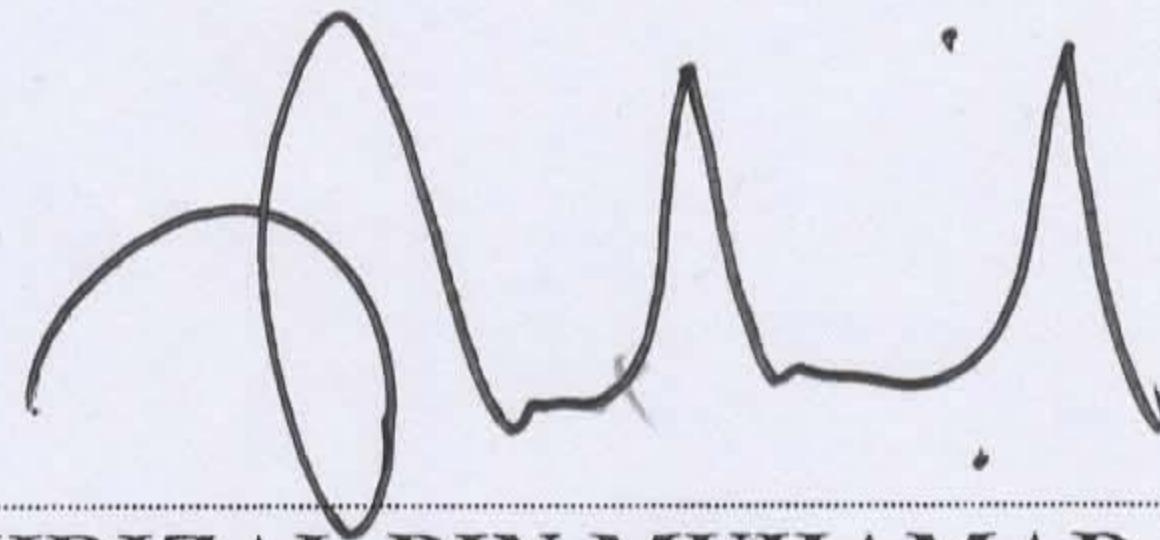
Company No:- 201501015163(1140496 - T)

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AUDITORS

The auditors, Messrs Zamzuri & Co., Chartered Accountants (Malaysia), have expressed their willingness to continue in office.

Signed by the Board in accordance with a
resolution of the director,



SHAHRIZAL BIN MUHAMAD MASRI

Kuala Lumpur, Malaysia.

Date: **27 SEP 2021**

Company No:- 201501015163(1140496 - T)

AWESOME INNOVATION SDN. BHD.
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**STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT, 2016**

I, Shahrizal Bin Muhamad Masri, being the director of Awesome Innovation Sdn. Bhd. state that, in the opinion of the directors, the financial statements set out on pages 10 to 27 are drawn up so as to give true and fair view of the state of affairs of the Company as at 30 June 2021 and of its results and cash flows for the financial year ended on that date in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Signed by the Board in accordance with a resolution of the director,

SHAHRIZAL BIN MUHAMAD MASRI

Kuala Lumpur, Malaysia

Date: **27 SEP 2021**

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

I, **SHAHRIZAL BIN MUHAMAD MASRI**, the director primarily responsible for the financial management of Awesome Innovation Sdn. Bhd. do solemnly and sincerely declare that the financial statements set out on pages 10 to 27 are, in my opinion correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared at
Kuala Lumpur in Wilayah Persekutuan
on



Before me,

**SHAHRIZAL BIN MUHAMAD MASRI
(NRIC NO.: 751203-10-5177)**

NO. 19-M, JALAN MANIS 3,
TAMAN SEGAR,
56100 CHERAS, KUALA LUMPUR.

Zamzuri & Co

Chartered Accountants (AF: 1315)

Comaany No: 201501015163 (1140496 - T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AWESOME INNOVATION SDN. BHD. (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Awesome Innovation Sdn. Bhd., which comprise the statement of financial position as at 30 June 2021, and the statement of income and retained earnings 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 10 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Awesome Innovation Sdn. Bhd. as at 30 June 2021, and of its financial performance and its cash 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 Standard 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") (Ref: Note (a)), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Zamzuri & Co

Chartered Accountants (AF: 1315)

Company No: 201501015163 (1140496 - T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AWESOME INNOVATION SDN. BHD.

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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 Director 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 statement

Zamzuri & Co

Chartered Accountants (AF: 1315)

Company No: 201501015163 (1140496 - T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AWESOME INNOVATION SDN. BHD.

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Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- d) 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.
- e) 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.

Zamzuri & Co

Chartered Accountants (AF: 1315)

Company No: 201501015163 (1140496 - T)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

AWESOME INNOVATION SDN. BHD.

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(Continued)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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.



ZAMZURI & CO.
Firm No.: AF 1315
Chartered Accountants (Malaysia)



MOHD ZAMZURI BIN DARUS
Approval No.: 02107/11/2022 J

Kuala Lumpur, Malaysia
Date: 27 SEP 2021

AWESOME INNOVATION SDN. BHD.
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**STATEMENT OF FINANCIAL POSITION
 AS AT 30 JUNE 2021**

		2021	2020
	NOTE	RM	RM
NON-CURRENT ASSET			
Plant and equipments	5	250,286	252,111
CURRENT ASSETS			
Trade and other receivables	6	522,439	586,142
Amount due from director	7	1,862,397	1,881,276
Cash and cash equivalents	8	863,627	142,514
		<u>3,248,463</u>	<u>2,609,932</u>
TOTAL ASSETS		<u>3,498,749</u>	<u>2,862,043</u>
EQUITY			
Share capital	9	2,000,000	2,000,000
Accumulated profits	10	<u>200,088</u>	<u>99,188</u>
		<u>2,200,088</u>	<u>2,099,188</u>
CURRENT LIABILITIES			
Trade and other payables	11	783,207	294,707
Hire purchase payables	12	12,880	13,500
Term loan	13	110,388	-
Provision for taxation	16	<u>20,537</u>	<u>12,397</u>
		<u>927,012</u>	<u>320,604</u>
NON-CURRENT IABILITIES			
Hire purchase payables	12	106,149	118,687
Term loan	13	<u>265,500</u>	<u>323,564</u>
		<u>371,649</u>	<u>442,251</u>
TOTAL LIABILITY		<u>1,298,661</u>	<u>762,855</u>
TOTAL EQUITY AND LIABILITIES		<u>3,498,749</u>	<u>2,862,043</u>

The accompanying notes are an integral part of these financial statements.

AWESOME INNOVATION SDN. BHD.
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**STATEMENT OF INCOME
 FOR THE FINANCIAL YEAR ENDED
 30 JUNE 2021**

		2021	2020
	NOTE	RM	RM
REVENUE	14	5,896,115	1,991,457
COST OF SALES		3,641,464	1,814,322
GROSS PROFIT FROM OPERATIONS	14	2,254,651	177,135
Other operating income		25,443	270,279
Distribution costs		(20,976)	(54,804)
Administrative expenses		(2,067,424)	(264,735)
Other operating expenses		<u>(55,003)</u>	<u>(21,963)</u>
PROFIT FROM OPERATIONS	15	136,691	105,912
Finance costs		<u>(15,254)</u>	<u>(33,697)</u>
PROFIT BEFORE TAXATION	15	121,437	72,215
TAXATION	16	<u>(20,537)</u>	<u>(6,994)</u>
PROFIT AFTER TAXATION		100,900	65,221
ACCUMULATED PROFITS BROUGHT FORWARD		<u>99,188</u>	<u>33,967</u>
ACCUMULATED PROFITS CARRIED FORWARD		<u><u>200,088</u></u>	<u><u>99,188</u></u>

The accompanying notes are an integral part of these financial statements.

AWESOME INNOVATION SDN. BHD.
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**STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED
 30 JUNE 2021**

	2021	2020
	RM	RM
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	121,437	72,215
Adjustments for:-		
Depreciation of plant and equipments	51,186	10,263
General expenses not yet paid	-	227,050
Operating profit before working capital changes	172,623	309,528
Decrease / (Increase) in trade and other receivables	63,703	(585,662)
Decrease / (Increase) in amount due from directors	18,879	(1,819,145)
Increase in trade and other payables	488,499	21,336
Cash generated / (used in) from operation	743,704	(2,073,943)
Taxation paid	(12,397)	-
Net cash inflows / (outflows) from operating activities	<u>731,307</u>	<u>(2,073,943)</u>
CASH FLOW FROM INVESTING ACTIVITY		
Purchase of plant and equipment	(49,360)	(259,900)
Net cash outflows from investing activity	<u>(49,360)</u>	<u>(259,900)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Issued of share capital	-	1,900,000
Proceed from hire purchase	(13,158)	145,687
Proceed from term loans	52,324	323,564
Net cash inflows from financing activities	<u>39,166</u>	<u>2,369,251</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS	721,113	35,408
CASH AND CASH EQUIVALENTS BROUGHT FORWARD	142,514	107,106
CASH AND CASH EQUIVALENTS CARRIED FORWARD	<u>863,627</u>	<u>142,514</u>

The accompanying notes are an integral part of these financial statements.

AWESOME INNOVATION SDN. BHD.
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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021**

	SHARE CAPITAL	ACCUMULATED PROFITS	TOTAL
	RM	RM	RM
Balance at 01.07.2019	100,000	33,967	133,967
Issuance of share	1,900,000	-	1,900,000
Profit after taxation	-	65,221	65,221
Balance at 30.06.2020	<hr/> 2,000,000	<hr/> 99,188	<hr/> 2,099,188
Profit after taxation	-	100,900	100,900
Balance at 30.06.2021	<hr/> 2,000,000	<hr/> 200,088	<hr/> 2,200,088

The accompanying notes are an integral part of these financial statements.

AWESOME INNOVATION SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2021

1. GENERAL INFORMATION

The Company, Awesome Innovation Sdn. Bhd., is a private company incorporated and domiciled in Malaysia. The Company is principally engaged in general contractor, dealer in agriculture products, and other related activities. There has been no significant change to the principal activity during the financial year under review.

The financial statements of the Company are presented in Ringgit Malaysia (RM).

2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT

The financial statements have been prepared in compliance with the Malaysia Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act 2016.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared using cost and fair value bases.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting year and the reported amounts of revenue and expenses during the reporting year. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Plant, Equipments and Depreciation

Plant and equipments are initially measured at cost. For purchased asset, cost comprises purchase price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

For self-constructed asset, cost comprises all direct and indirect costs of construction (including provision for restoration and cost of major inspection) but excludes internal profit.

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.1 Plant, Equipments and Depreciation (Continued)

Plant and equipments are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.2.

Plant and equipments are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The principal annual rates of depreciation are as follows:

Computer	20 years
Furniture and fittings	10 years
Renovation	10 years
Office equipment	10 years
Machinery	20 years
Motor vehicles	20 years

At the end of each reporting year, the residual values, useful lives and depreciation method for plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current year.

4.2 Impairment of Non-Financial Assets

An impairment loss arises when the carrying amount of a Company's asset exceeds its recoverable amount.

At the end of each reporting date, the Company assesses whether there is any indication that a stand-alone asset or a cash-generating unit may be impaired by using external and internal sources of information. If any such indication exists, the Company estimates the recoverable amount of the asset or cash-generating unit.

If an individual asset generates independent cash inflows, it is tested for impairment as stand-alone asset. If an asset does not generate independent cash inflows, it is tested for impairment together with other assets in a cash-generating unit, at the lowest level in which independent cash inflows are generated and monitored for internal management purposes.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and the value in use. The Company determines the fair value less costs to sell of an asset or a cash-generating unit in hierarchy based on: (i) price in a binding sale agreement; (ii) market price traded in a

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.2 Impairment of Non-Financial Assets (Continued)

active market; and (iii) estimate of market price using the best available information. The value in use is estimated by discounting the net cash inflows (by an appropriate discount rate) of the asset or unit, using reasonable and supportable management's budgets and forecasts of five years and extrapolation of cash inflows for year beyond the five-year forecast or budget.

For an asset measured on a cost-based model, any impairment loss is recognised in profit or loss.

For a cash-generating unit, any impairment loss is allocated to the assets of the unit pro rata based on the relative carrying amounts of the assets.

The Company reassesses the recoverable amount of an impaired asset or a cash-generating unit if there is any indication that an impairment loss recognised previously may have reversed. Any reversal of impairment loss for an asset carried at a cost-based model is recognised in profit or loss, subject to the limit that the revised carrying amount does not exceed the amount that would have been determined had no impairment loss been recognised previously.

4.3 Share Capital and Distributions

(a) Share Capital

Ordinary shares and non-redeemable preference share is issued that carry no put option and no mandatory contractual obligation: (i) to deliver cash or another financial asset; or (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company, are classified as equity instruments.

When ordinary shares or other equity instruments are issued in a private placement or in a rights issue to existing shareholders, they are recorded at the issue price. For ordinary shares and other equity instruments issued in exchange for non-monetary assets, they are measured at the fair values of the assets received.

When ordinary shares and other equity instruments are issued as consideration transferred in a business combination or as settlement of an existing financial liability, they are measured at their fair value at the date of the exchange transaction.

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.3 Share Capital and Distributions (Continued)

(a) Share Capital (Continued)

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax effect.

(b) Distributions

Distributions to holders of an equity instrument are recognised as equity transactions and are debited directly in equity, net of any related income tax effect.

A dividend declared is recognised as a liability only after it has been appropriately authorised, which is the date when the Board of Directors declares an interim dividend, or in the case of a proposed final dividend, the date the shareholders of the Company approve the proposed final dividend in an annual general meeting of shareholders. For a distribution of non-cash assets to owners, the Company measures the dividend payable at the fair value of the assets to be distributed.

4.4 Financial Instruments

(a) Initial Recognition and Measurement

The Company recognises a financial asset or a financial liability (including derivative instruments) in the statement of financial when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

(b) Derecognition of Financial Instruments

A financial asset is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Financial Instruments (Continued)

(b) Derecognition of Financial Instruments (Continued)

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified term discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

(c) Subsequent Measurement of Financial Assets

For the purpose of subsequent measurement, the Company classifies financial assets into two categories, namely: (i) financial assets at fair value through profit or loss, and (ii) financial assets at amortised cost.

After initial recognition, investments in preference shares and ordinary shares are measured at their fair values 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.

Investments in debt instruments, whether quoted or unquoted, are subsequently measured at amortised cost using the effective interest method. Investments in unquoted equity instruments and whose fair value cannot be reliably measured are measured at cost.

Other than financial assets measured at fair value through profit or loss, all other financial assets are subject to review for impairment in accordance with Note 4.1.

(d) Subsequent Measurement of Financial Liabilities

After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

(e) Fair Value Measurement of Financial Instruments

The fair value of a financial asset or a financial liability is determined by reference to the quoted market price in an active market, and in the absence of an observable market price, by a valuation technique using reasonable and supportable assumptions.

AWESOME INNOVATION SDN. BHD.
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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Financial Instruments (Continued)

(f) Recognition of Gains and Losses

Fair value changes of financial assets and financial liabilities classified as at fair value through profit or loss are recognised in profit or loss when they arise.

For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or financial liability is derecognised or impaired, and through the amortisation process of the instrument.

(g) Impairment and Uncollectibility of Financial Assets

At the end of each reporting year, the Company examines whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired. Evidences of trigger loss events include: (i) significant financial difficulty of the issuer or obligor; (ii) a breach of contract, such as a default or delinquency in interest or principal payments; (iii) granting exceptional concession to a customer; (iv) it is probable that a customer will enter bankruptcy or other financial reorganisation; (v) the disappearance of an active market for that financial asset because of financial difficulties; or (vi) any observable market data indicating that there may be a measurable decrease in the estimated future cash flows from the financial assets.

For a non-current loan and receivable carried at amortised cost, the revised estimated cash flows are discounted at the original effective interest rate. Any impairment loss is recognised in profit or loss and a corresponding amount is recorded in a loss allowance account. Any subsequent reversal of impairment loss of the financial asset is reversed in profit or loss with a corresponding adjustment to the loss allowance account, subject to the limit that the reversal should not result in the revised carrying amount of the financial asset exceeding the amount that would have been determined had no impairment loss been recognised previously.

For short-term trade and other receivables, where the effect of discounting is immaterial, impairment loss is tested for each individually significant receivable wherever there is any indication of impairment. Individually significant receivables for which no impairment loss is recognised are grouped together with all other receivables by classes based on credit risk characteristic and aged according to their past due years. A collective allowances is estimated for a class group based on the Company's experience of loss ratio in each class, taking into consideration current market conditions.

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.4 Financial Instruments (Continued)

(g) Impairment and Uncollectibility of Financial Assets (Continued)

For an unquoted equity investment measured at cost less impairment, the impairment is the difference between the asset's carrying amount and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company expects to receive for the asset if it were sold at the reporting date. The Company may estimate the recoverable amount using an adjusted net asset value approach.

4.5 Tax Assets and Tax Liabilities

A current tax for current and prior years, to the extent unpaid, is recognised as a current tax liability. If the amount already paid in respect of current and prior years exceeds the amount due for those years, the excess is recognised as a current tax asset. A current tax liability (asset) is measured at the amount the Company expects to pay (recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary difference, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (or tax loss). The expectation for initial recognition differences include items of property, plant and equipment that not qualify for capital allowances and acquired intangible assets that are not deductible for tax purposes.

A deferred tax asset is recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Unused tax credits do not include unabsorbed reinvestment allowances and unabsorbed investment tax allowances because the Company treats these as part of initial recognition differences.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting year. The measurement of deferred taxes reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting year, to recover or settle the carrying amount of its assets or liabilities. For an investment property measured at fair value, the Company does not have a business model to hold the property solely for rental income, and hence, the deferred tax liability on the fair value gain is measured based on the presumption that the property is recovered through sale at the end of the reporting year.

AWESOME INNOVATION SDN. BHD.
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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.5 Tax Assets and Tax Liabilities (Continued)

At the end of each reporting year, the carrying amount of a deferred tax asset is reviewed, and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow to benefit of a part or all of that deferred tax asset to be utilised. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

A current or deferred tax is recognised as income or expense in profit or loss for the year. For items recognised directly in equity, the related tax effect is also recognised directly in equity.

4.6 Operating Leases

The Company does not capitalise the underlying leased asset or recognise a lease liability in an operating lease. Instead, lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

4.7 Revenue Recognition and Measurement

The Company measures revenue from a services transaction 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 a customer in sale or service transaction.

Revenue from goods sold is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

4.8 Employee Benefit

(a) Short term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Company.

(b) Defined contribution plans

The Company's contributions to defined construction plans are charged to the income statement in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

4.9 Borrowing Costs

Borrowings cost of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

4.10 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, bank balances and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to a significant risk of changes in value. Cash and cash equivalents are stated net of bank overdrafts and other short-term borrowings which are repayable on demand.

5. PLANT AND EQUIPMENTS

<u>2021</u> <u>Cost</u>	Balance as at 01.07.2020	Additional / Current charges	Disposal	Balance as at 30.06.2021
	RM	RM	RM	RM
Computer	5,413	8,367	-	13,780
Furniture and fittings	7,287	1,275	-	8,562
Renovation	25,800	-	-	25,800
Office equipments	3,690	-	-	3,690
Machinery	13,788	10,414	-	24,202
Motor vehicles	207,139	29,304	-	236,443
	<u>263,117</u>	<u>49,360</u>	<u>-</u>	<u>312,477</u>
<u>Accumulated Depreciation</u>				
Computer	596	1,553	-	2,149
Furniture and fittings	721	767	-	1,488
Renovation	2,183	2,580	-	4,763
Office equipments	608	369	-	977
Machinery	2,468	4,000	-	6,468
Motor vehicles	4,430	41,916	-	46,346
	<u>11,006</u>	<u>51,185</u>	<u>-</u>	<u>62,191</u>

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5. PLANT AND EQUIPMENTS (Continued)

	Balance as at 01.07.2020	Additional / Current charges	Disposal	Balance as at 30.06.2021
				2021
<u>Net Book Value</u>				
Computer	4,817			11,631
Furniture and fittings	6,566			7,074
Renovation	23,617			21,037
Office equipments	3,082			2,713
Machinery	11,320			17,734
Motor vehicles	202,709			190,097
	<u>252,111</u>			<u>250,286</u>
<u>Depreciation charge for the year ended 30.06.2020</u>				
Computer				396
Furniture and fittings				583
Renovation				2,183
Office equipments				203
Machinery				2,468
Motor vehicles				4,430
				<u>10,263</u>

6. TRADE AND OTHER RECEIVABLES

	2021	2020
	RM	RM
Trade receivables	505,811	585,944
Other receivables	421	-
Deposits and prepayments	<u>16,207</u>	<u>198</u>
	<u>522,439</u>	<u>586,142</u>

7. AMOUNT DUE FROM DIRECTOR

These amounts due from director represent unsecured and interest free advance from the directors to Company which has no fixed term repayment. This is unsecured, interest free and with no fixed term of repayment.

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8. CASH AND CASH EQUIVALENTS

The Company's cash management policy is to use cash and bank balances and short term trade financing to manage cash flows to ensure sufficient liquidity to meet the Company's obligations. The components of cash and equivalents consist of:

	2021 RM	2020 RM
Bank balances	<u>863,627</u>	<u>142,514</u>

9. SHARE CAPITAL

	2021 No. of shares RM	2021 Amount RM	2020 No. of shares RM	2020 Amount RM
Issued and fully value:				
Balance at 1 July 2020	2,000,000	2,000,000	100,000	100,000
Issue of shares for cash	-	-	1,900,000	1,900,000
Balance at 30 June 2021	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,000,000</u>

10. ACCUMULATED PROFITS

Accumulated profits of the Company are available for distributions by way cash dividends or dividends in specie. Under the single-tier system of taxation, dividends payables to shareholders are deemed net of income taxes. There are no potential income tax consequence that would result from the payment of dividends to shareholders.

11. TRADE AND OTHER PAYABLES

	2021 RM	2020 RM
Trade payables	577,730	8,664
Other payables and accruals	<u>205,477</u>	<u>286,043</u>
	<u>783,207</u>	<u>294,707</u>

AWESOME INNOVATION SDN. BHD.
(Incorporated in Malaysia)

12. HIRE PURCHASE PAYABLES

	2021 RM	2020 RM
Minimum hire purchase payments :		
Due within one year	17,877	17,880
Due between one and five years	71,508	89,400
Later than 5 years	50,651	50,633
	<hr/> 140,036	<hr/> 157,913
Less : Interest in suspense	(21,007)	(26,741)
	<hr/> 119,029	<hr/> 131,172
Present value of hire purchase liabilities :		
Portion due within twelve months	12,880	12,484
Portion due after twelve months	58,297	55,656
Later than 5 years	47,852	63,032
	<hr/> 119,029	<hr/> 131,172

13. BANK BOROWINGS

Term loan 1

The term loan is under the Company's name, and it is for working capital requirements. The term loan is secured by facilities agreement for the sum of RM 300,000.

The term loan is repayable over 5 years with interest at rate Based Lending Rate (BLR) + 5.40% per annum and monthly instalment is RM 6,213.00 per month.

Term loan 2

The term loan is under the Company's name, and it is granted by director. The term loan is secured by financing facilities agreement for the sum of RM 67,000.

The term loan is repayable over 5 years with interest Ceiling OR Contracted Profit Rate (CPR) at rate 12.00% per annum and Effective Profit Rate (EPR) at rate 8.00% per annum with monthly instalments RM 1,358.52 per month.

AWESOME INNOVATION SDN. BHD.
 (Incorporated in Malaysia)

14. REVENUE AND COST OF SALES

	2021 RM	2020 RM
Revenue from:		
Sales	5,896,115	1,991,457
Cost of sales and other direct expenses:		
Purchases	3,641,464	1,814,322
Total cost of sales and other direct expenses	<u>3,641,464</u>	<u>1,814,322</u>
Gross profit	<u>2,254,651</u>	<u>177,135</u>

15. PROFIT FROM OPERATION

	2021 RM	2020 RM
<u>After charging :</u>		
Auditors' remuneration	5,076	4,600
Depreciation of plant and equipments	51,186	10,263
Interest charges	15,254	33,697
Rental of office	<u>14,041</u>	<u>20,900</u>

16. TAXATION EXPENSE

	2021 RM	2020 RM
Current year provision	<u>20,537</u>	<u>6,994</u>

The significant differences between the tax expense and accounting profits multiplied by the statutory tax rate are due to tax effects arising from the following items:

	2021 RM	2020 RM
Profit before taxation	121,437	72,215
Tax at the statutory income tax rate of 17%	20,644	12,277
Tax effects of expenses disallowed for tax purposes	11,548	6,247
Over provision in prior years	<u>(11,655)</u>	<u>(11,530)</u>
	<u>20,537</u>	<u>6,994</u>

AWESOME INNOVATION SDN. BHD.
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17. NUMBER OF EMPLOYEE AND STAFF COST

	2021 RM	2020 RM
Number of employee, including executive director at the end of the period	<u>3</u>	<u>3</u>
<u>Staff cost (RM):-</u>		
EPF and SOCSO contribution	343,038	-
EIS	5,477	-
Salaries and allowance	1,586,696	167,447
Staff welfare and refreshment	14,643	5,843
Uniform	-	765
	<u>1,949,854</u>	<u>174,055</u>

18. AUTHORISATION FOR ISSUE

The financial statement were authorised for issue by the Board of Directors on **27 SEP 2021**

AWESOME INNOVATION SDN. BHD.
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**PROFIT AND LOSS ACCOUNT
 FOR THE FINANCIAL YEAR ENDED
 30 JUNE 2021**
 (For management purpose only)

	2021	2020
	RM	RM
REVENUE	5,896,115	1,991,457
LESS: COST OF SALES		
Purchases	5,905	25,787
Cafeteria rental - UTHM	-	10,000
Cleaning stuff	1,512,298	69,662
Industrial waste	-	8,832
Landscape and gardening	-	4,525
Rental cost	-	81,100
Labour cost	-	1,518,040
Petrol and diesel	24,463	-
Sub-contractor	2,098,798	96,376
	<hr/>	<hr/>
	3,641,464	1,814,322
GROSS PROFIT FROM OPERATIONS	2,254,651	177,135
OTHER INCOME		
Hibah	-	298
Interest received	25,443	-
Matrade exhibition claim	-	3,581
PERKESO	-	266,400
	<hr/>	<hr/>
	25,443	270,279
PROFIT FROM OPERATIONS	2,280,094	447,414
LESS : OPERATING EXPENSES		
Distribution costs	(20,976)	(54,804)
Administrative expenses	(2,067,424)	(264,735)
Other operating expenses	(55,003)	(21,963)
Finance costs	(15,254)	(33,697)
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	(2,158,657)	(375,199)
PROFIT FOR THE YEAR	121,437	72,215

AWESOME INNOVATION SDN. BHD.
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**OPERATING EXPENSES SCHEDULES
FOR THE FINANCIAL YEAR ENDED**

30 JUNE 2021

(For management purpose only)

	2021	2020
	RM	RM
DISTRIBUTION COSTS:-		
Entertainment	8,044	3,331
Parking, petrol and toll	-	29,269
Traveling and accomodation	1,398	5,796
Upkeep of motor vehicles	11,534	16,408
	<hr/>	<hr/>
	20,976	54,804

ADMINISTRATIVE EXPENSES:-

Advertisement and marketing	117	100.00
Accounting fee	600	1,200
Auditors' remuneration	5,076	4,600
Bank charges	200	13
Bond guarantee	19,785	-
Bonus	-	2,200
Cleaning	430	-
EPF and SOCSO	343,038	-
EIS	5,477	-
E-Perolehan	27,677	-
Insurance and roadtax	2,700	12,854
Legal fee	8,840	2,805
License and permit	-	6,989
Office supplies	1,673	-
Postage and courier	266	110
Printing and stationery	2,716	3,298
Rental of office	14,041	20,900
Refreshement	-	13,058
Salaries and allowance	1,586,696	167,447
Secretarial fee	1,149	9,145
Seminar and training	-	330
Services tax	-	2,426
Stamp duty	-	1,855
Staff welfare and refreshment	14,643	5,843
Store supplies	6,352	-
Subscription fee	11,265	299
Swab test	1,193	-

AWESOME INNOVATION SDN. BHD.
(Incorporated in Malaysia)

**OPERATING EXPENSES SCHEDULES
FOR THE FINANCIAL YEAR ENDED**

30 JUNE 2021

(For management purpose only)

	2021	2020
	RM	RM
ADMINISTRATIVE EXPENSES :- CONTINUED		
Telephone, fax and internet	829	1,055
Uniform	-	765
Upkeep of office	-	7,190
Water and electricity	1,392	253
Workers' compensation	11,269	-
	<hr/>	<hr/>
	2,067,424	264,735
OTHER OPERATING EXPENSES:-		
Depreciation of plant and equipments	51,186	10,263
Donation and gifts	600	10,700
Fine and penalty	3,217	1,000
	<hr/>	<hr/>
	55,003	21,963
FINANCE COST:-		
Interest charges	15,254	33,697
	<hr/>	<hr/>
	15,254	33,697
TOTAL OPERATING EXPENSES		
	<hr/>	<hr/>
	2,158,657	375,199
	<hr/>	<hr/>