

Our reference: SA/JIHA/AUD067/092

18 August 2022

The Board of Directors
EVENING CREST SDN. BHD.
No. 78-1, Jalan Warisan Sentral 2
KIP Sentral Kota Warisan
43900 Sepang
Selangor

Dear Sirs

FINANCIAL STATEMENTS – 31 DECEMBER 2021

We enclosed for your attention the above mentioned audited financial statements of the Company.

Please be advised that the Companies Act, 2016 and the Income Tax Act, 1967 require all financial documents relating to the above year end be kept for 7 years after the end of the financial year. In the event that a tax return for a year of assessment has not been furnished to the Inland Revenue Board, the documents shall be kept and retained for a period of seven years from the end of the year in which the return is furnished. For this purpose, "documents" means books of account recording receipts and payments or income and expenditure; invoices, vouchers, receipts, journals, and such other relevant documents.

It was a pleasure to serve you and we are pleased to share our experience and expertise to assist and improve other aspects of your business.

Should you require further assistance, please do not hesitate to contact us.

Yours faithfully



Sarina Mohamad & Associates

Registration No.: 201801034159 (1296186-U)

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SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

05 SEP 2022

EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

31 DECEMBER 2021

Registration No.: 201801034159 (1296186-U)

EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

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

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SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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Registration No.: 201801034159 (1296186-U)

EVENING CREST SDN. BHD.
*(Incorporated in Malaysia)***DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director hereby submit her report together with the audited financial statements of the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company was incorporated on 21 September 2018 and has not commenced its operation as at 31 December 2021.

RESULTS

| | RM |
|-------------------|-----------------|
| Loss for the year | <u>(54,772)</u> |

In the opinion of the director, the results of the operations of the Company during the year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

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

RESERVES AND PROVISIONS

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

SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the year.

DIRECTORS

The directors who have held office since the date of the last report are:

Hairiah Binti Abd Karim
Mohammad Ramadhan Bin Othman

(Appointed w.e.f. 08.09.2021 and
resigned w.e.f. 12.05.2022)

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DIRECTOR'S BENEFITS

During and at the end of the year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the director's or the fixed salary of a full-time employee of the Company as shown in Note 7 to the financial statements) 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.

DIRECTOR'S INTERESTS

According to the register of director's shareholding under Section 59 of the Companies Act, 2016, the interests of director in office at the end of the year in the ordinary shares of the Company during the year were as follows:

| | Number of Ordinary Shares | | | |
|-------------------------------|---------------------------|--------|------|------------------|
| | At 01.01.2021 | Bought | Sold | At 31.12.2021 |
| <u>Direct Interest</u> | | | | |
| Hairiah Binti Abd Karim | 1 | - | - | 1 |

INDEMNITY AND INSURANCE FOR DIRECTOR OR OFFICER

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the director or officer of the Company, other than as disclosed in Note 7 to the financial statements.

OTHER STATUTORY INFORMATION


Before the statement of comprehensive income and the statement of financial position of the Company were made out, the director took reasonable steps:

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

As of the date of this report, the director is not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amounts 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

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SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

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

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

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the director, 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 director, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Company for the succeeding year.

AUDITORS

The auditors, Messrs. Sarina Mohamad & Associates, have indicated their willingness to be re-appointed in accordance with Section 267 (1) of the Companies Act, 2016. Details of auditors' remuneration for their services as auditors are disclosed in Note 7 to the financial statements. No payment has been made to indemnify the auditors during or since the financial year.

Signed in accordance with a resolution,



Hairiah Binti Abd Karim
Director

Selangor

Dated: 15 JUN 2022

Sarina Mohamad
 SARINA MOHAMAD
 APPROVED COMPANY AUDITOR
 LICENCE NO: 01774/04/2024J
 05 SEP 2022

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EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

STATEMENT BY A DIRECTOR
Pursuant to Section 251 (2) of the Companies Act, 2016

In my opinion, the financial statements as set out on pages 9 to 23 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 December 2021 and of the financial performance and cash flows of the Company for the year then ended.

Signed in accordance with a resolution,

Hairiah

Hairiah Binti Abd Karim
Director

Selangor
 Dated: 15 JUN 2022

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

I, Hairiah Binti Abd Karim, the director responsible for the financial management of Evening Crest Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out pages 9 to 23 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 at Kuala Lumpur)
 this 15 JUN 2022)

Hairiah

HAIRIAH BINTI ABD KARIM

Before me,

COMMISSIONER FOR OATHS

75th, JALAN BURHANUDDIN HELMI
 TAMAN TUN DR. ISMAIL
 60000 KUALA LUMPUR

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF EVENING CREST SDN. BHD.
(Registration No.: 201801034159 (1296186-U))
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Evening Crest Sdn. Bhd., which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 23.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and 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 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements which discloses the premise upon which the Company has prepared its financial statements by applying going concern assumption, notwithstanding that the Company incurred an accumulated losses of RM192,943 as at 31 December 2021, and as of that date, the Company's current liabilities exceeded its current assets by RM207,162 thereby indicating the existence of a material uncertainty may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF EVENING CREST SDN. BHD.
(Registration No.: 201801034159 (1296186-U))
(Incorporated in Malaysia)**

Information Other than the Financial Statements and Auditors' Report Thereon

The director of the Company is responsible for the other information. The other information comprises the Director's 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 Director's 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 Director's Report and, in doing so, consider whether the Director's 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 Director's Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Director for the Financial Statements

The director of the Company is 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 director is also responsible for such internal control as the director 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 director is 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 director 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.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF EVENING CREST SDN. BHD.
(Registration No.: 201801034159 (1296186-U))
(Incorporated in Malaysia)**

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 director.
- Conclude on the appropriateness of the director's 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 director 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.



**Sarina Mohamad
& Associates**
CHARTERED ACCOUNTANTS (AF1247)

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SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF EVENING CREST SDN. BHD.
(Registration No.: 201801034159 (1296186-U))
(Incorporated in Malaysia)**

Other Matters

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

Sarina Mohamad & Associates
AF 1247
Chartered Accountants

Kuala Lumpur
Dated: 15 JUN 2022

Sarina Mohamad
01774/04/2024 J
Chartered Accountant

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SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

| | Note | 2021 RM | 2020 RM |
|---|------|-------------------------|-------------------------|
| ASSETS | | | |
| NON-CURRENT ASSET | | | |
| Property, plant and equipment | 4 | <u>14,220</u> | <u>16,159</u> |
| CURRENT ASSETS | | | |
| Other receivables, deposits and prepayments | | 5,100 | 1,300 |
| Cash and bank balances | | <u>2,774</u> | <u>3,649</u> |
| | | <u>7,874</u> | <u>4,949</u> |
| TOTAL ASSETS | | <u>22,094</u> | <u>21,108</u> |
| EQUITY AND LIABILITY | | | |
| CAPITAL AND RESERVES | | | |
| Share capital | 5 | 1 | 1 |
| Accumulated losses | | <u>(192,943)</u> | <u>(138,171)</u> |
| CAPITAL DEFICIENCY | | <u>(192,942)</u> | <u>(138,170)</u> |
| CURRENT LIABILITY | | | |
| Other payables and accruals | 6 | <u>215,036</u> | <u>159,278</u> |
| TOTAL LIABILITY | | <u>215,036</u> | <u>159,278</u> |
| TOTAL EQUITY AND LIABILITY | | <u>22,094</u> | <u>21,108</u> |

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

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APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

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

| | Note | 2021 RM | 2020 RM |
|--|------|------------------------|------------------------|
| Revenue | | - | - |
| Other operating income | | 5 | - |
| Administration expenses | | <u>(54,777)</u> | <u>(92,892)</u> |
| Loss before tax | 7 | (54,772) | (92,892) |
| Income tax expense | 8 | <u>-</u> | <u>-</u> |
| Loss for the year | | (54,772) | (92,892) |
| Other comprehensive income, net of tax | | <u>-</u> | <u>-</u> |
| Total comprehensive loss for the year | | <u><u>(54,772)</u></u> | <u><u>(92,892)</u></u> |

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

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EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

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

| | Share capital RM | Accumulated losses RM | Total RM |
|---------------------------------------|-----------------------------|--------------------------------------|-------------------------|
| As at 1 January 2020 | 1 | (45,279) | (45,278) |
| Total comprehensive loss for the year | <u>-</u> | <u>(92,892)</u> | <u>(92,892)</u> |
| As at 31 December 2020 | 1 | (138,171) | (138,170) |
| Total comprehensive loss for the year | <u>-</u> | <u>(54,772)</u> | <u>(54,772)</u> |
| As at 31 December 2021 | <u>1</u> | <u>(192,943)</u> | <u>(192,942)</u> |

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

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EVENING CREST SDN. BHD.
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | 2021 RM | 2020 RM |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before tax | (54,772) | (92,892) |
| Adjustment for: | | |
| Depreciation of property, plant and equipment | <u>1,939</u> | <u>1,884</u> |
| Operating loss before working capital changes | (52,833) | (91,008) |
| Increase in other receivables | (3,800) | - |
| Increase in other payables | <u>55,758</u> | <u>95,149</u> |
| Net cash (used in)/from operating activities | <u>(875)</u> | <u>4,141</u> |
| CASH FLOWS FROM INVESTING ACTIVITY | | |
| Acquisition of property, plant and equipment | <u>-</u> | <u>(960)</u> |
| Net cash used in investing activity | <u>-</u> | <u>(960)</u> |
| Net (decrease)/increase in cash and cash equivalents | (875) | 3,181 |
| Cash and cash equivalents at beginning of the year | <u>3,649</u> | <u>468</u> |
| Cash and cash equivalents at end of the year | <u><u>2,774</u></u> | <u><u>3,649</u></u> |
| Cash and cash equivalents comprise: | | |
| Cash and bank balances | <u><u>2,774</u></u> | <u><u>3,649</u></u> |

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

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EVENING CREST SDN. BHD.
(Incorporated in Malaysia)

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

1 GENERAL INFORMATION

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

The registered office is located at No. 26G, Jalan 4/76C, Desa Pandan, 55100 Kuala Lumpur.

The principal place of business is located at No. 78-1, Jalan Warisan Sentral 2, KIP Sentral Kota Warisan, 43900 Sepang, Selangor.

The Company was incorporated on 21 September 2018 and has not commenced its operation as at 31 December 2021.

The financial statements of the Company are presented in Ringgit Malaysia (RM), which is the currency of the primary economic environment in which the entity operates.

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.

Although as at 31 December 2021, the Company has incurred accumulated losses of RM192,943 resulting a deficit of RM192,942 in its shareholders' funds, the financial statements have been prepared on a going concern basis that is principally premised on the assumptions that the Company will obtain continued financial support from the director; and the realisation of assets by the Company is expected to be undertaken in the ordinary course of business.

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, except for freehold land and buildings.

Assets stated at valuation

After recognition as an asset, freehold land and buildings are carried at their revalued amount, being their fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that carrying amounts do not differ materially from that which would be determined using fair value at the end of the reporting period.



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A revaluation increase arising from a revaluation is recognised in other comprehensive income and accumulated in equity under the heading of property revaluation surplus, except when the increase is recognised in the profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A revaluation decrease arising from a revaluation is recognised in profit or loss, except when the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the property revaluation surplus in respect of that asset. The decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of property revaluation surplus.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

| | <u>Rate</u> |
|------------------------|-------------|
| Furniture and fittings | 10% |
| Office equipment | 10% |
| Renovation | 10% |

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

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

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

2.2 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS

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

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

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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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.

2.3 FOREIGN CURRENCY

i) *Foreign Currency ~ Foreign Currency Transactions*

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

ii) *Foreign Currencies ~ Exchange Differences On Net Investment In Foreign Operations*

Exchange differences arising on monetary items that forms part of the Company's net investment in foreign operations are recognised in the profit or loss in the separate financial statements of the Company. In the financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under the heading of translation reserves. They are not recognised in profit or loss on disposal of the net investment.

iii) *Foreign Currencies ~ Foreign Operations*

Assets and liabilities of foreign operations, including goodwill arising on the acquisition and any fair value adjustments, are translated to the presentation currency at the closing rate at the end of the reporting period. Income and expenses are translated at exchange rates at the date of the transactions. All resulting exchange differences are recognised in other comprehensive income and reported as a component of equity. They are not subsequently reclassified to profit or loss.

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.



SARINA MOHAMAD
APPROVED COMPANY AUDITOR
LICENCE NO: 01774/04/2024J

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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.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) *Financial Assets That Are Debt Instruments Measured At Amortised Cost*

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

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

iii) *Financial Assets That Are Equity Instruments Measured At Cost Less Impairment*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

iv) *Impairment Of Financial Assets*

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or



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- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for 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.

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.



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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.

ii) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The Company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

2.7 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.

2.8 FINANCIAL LIABILITIES

Financial liabilities 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 liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.



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i) *Financial Liabilities Measured At Fair Value Through Profit Or Loss*

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

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) *Financial Liabilities Measured At Amortised Cost*

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

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.

2.9 EMPLOYMENT BENEFITS

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

The expected cost of accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences. The expected cost of non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences are measured at the undiscounted additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

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The expected cost of profit-sharing and bonus payments are recognised when the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Company has no realistic alternative but to make the payments.

2.10 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.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

3.1 CRITICAL JUDGEMENTS IN APPLYING THE COMPANY'S ACCOUNTING POLICIES

The preparation of the financial statements in conformity with the Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia requires the director to make estimates and assumptions that may affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. Actual results could differ from those estimates.



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3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Company within the next financial year.

4 PROPERTY, PLANT AND EQUIPMENT

| | Furniture and fittings RM | Office equipment RM | Renovation RM | Total RM |
|-----------------------------------|------------------------------|------------------------|------------------|-------------|
| <u>Carrying amounts</u> | | | | |
| At 1 January 2021 | 5,740 | 920 | 9,499 | 16,159 |
| Depreciation charged | (656) | (96) | (1,187) | (1,939) |
| At 31 December 2021 | 5,084 | 824 | 8,312 | 14,220 |
| <u>At 31 December 2021</u> | | | | |
| Cost | 6,560 | 960 | 11,875 | 19,395 |
| Accumulated depreciation | (1,476) | (136) | (3,563) | (5,175) |
| Carrying amounts | 5,084 | 824 | 8,312 | 14,220 |
| <u>At 31 December 2020</u> | | | | |
| Cost | 6,560 | 960 | 11,875 | 19,395 |
| Accumulated depreciation | (820) | (40) | (2,376) | (3,236) |
| Carrying amounts | 5,740 | 920 | 9,499 | 16,159 |


5 SHARE CAPITAL

| | 2021 RM | 2020 RM |
|------------------------------|------------|------------|
| Issued and fully paid | | |
| 1 ordinary share | 1 | 1 |

6 OTHER PAYABLES AND ACCRUALS

| | 2021 RM | 2020 RM |
|----------------|------------|------------|
| Other payables | 207,315 | 154,778 |
| Accruals | 7,721 | 4,500 |
| | 215,036 | 159,278 |

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7 LOSS BEFORE TAX**7.1 DISCLOSURE ITEMS**

| | 2021 | 2020 |
|---|--------------|-------------|
| | RM | RM |
| This is stated after charging: | | |
| Auditors' remuneration | 2,500 | 2,500 |
| Depreciation of property, plant and equipment | 1,939 | 1,884 |
| Director's remuneration | - | 18,000 |
| Loss on foreign exchange | - | 1 |
| Office rental | 7,800 | 7,800 |
| House rental | 7,200 | - |
| | <u>7,200</u> | <u>-</u> |
| And crediting: | | |
| Interest income | (5) | - |
| | <u>(5)</u> | <u>-</u> |

7.2 EMPLOYEES BENEFITS EXPENSES

| | 2021 | 2020 |
|----------------------|-------------|---------------|
| | RM | RM |
| Salary and allowance | - | 36,000 |
| EPF | 800 | 240 |
| | <u>800</u> | <u>36,240</u> |
| Number of employees | <u>4</u> | <u>4</u> |

8 INCOME TAX EXPENSE

No taxation has been provided in the current year's financial statement as the Company is in a tax loss position. The company has unabsorbed capital allowances as follow:

| | 2021 | 2020 |
|-------------------------------|-------------|-------------|
| | RM | RM |
| Unabsorbed capital allowances | <u>752</u> | <u>944</u> |



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9 FINANCIAL INSTRUMENTS

| | 2021 RM | 2020 RM |
|---|-----------------------|-----------------------|
| <u>Financial assets as per statement of financial position</u> | | |
| Other receivables, deposits and prepayments | 5,100 | 1,300 |
| Cash and bank balances | <u>2,774</u> | <u>3,649</u> |
| Total financial assets | <u><u>7,874</u></u> | <u><u>4,949</u></u> |
| <u>Financial liability as per statement of financial position</u> | | |
| Other payables and accruals | <u>215,036</u> | <u>159,278</u> |
| Total financial liability | <u><u>215,036</u></u> | <u><u>159,278</u></u> |

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of the financial instruments of the Company at the reporting date approximate their fair values.

10 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as pandemic in recognition of its rapid spread across the globe. On 17 March 2020, the Malaysian Government has imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown and other precautionary measures imposed in various countries. The emergence of the COVID-19 outbreak since early 2020 brought significant economic uncertainties in Malaysia and markets in which the Company operates. As a result, the COVID-19 outbreak impacted the Company's operations, including the recoverability of the carrying amount of assets and measurement of assets and liabilities.

Given the widespread nature of the outbreak and the unpredictable future development of COVID-19, the Company will continuously monitor the impact of the COVID-19 and take appropriate and timely measures to minimise the impact of the outbreak on the Company's operation.

11 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the director on 15 JUN 2022



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(Incorporated in Malaysia)

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

| | 2021 RM | 2020 RM |
|------------------------------------|------------------------|------------------------|
| REVENUE | - | - |
| ADD: OTHER OPERATING INCOME | | |
| Interest income | <u>5</u> | <u>-</u> |
| LESS: OPERATING EXPENSES | <u>(54,777)</u> | <u>(92,892)</u> |
| LOSS BEFORE TAX | <u><u>(54,772)</u></u> | <u><u>(92,892)</u></u> |

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