

| DISTRIBUTION | |
|--------------|---|
| DIRECTORS | |
| SECRETARY | ✓ |
| ROC | |
| AUDIT | |
| TAX | |
| TAX DEPT | |
| | |

YAYASAN HASH HERITAGE
Registration No.: 200001017246 (519853-D)
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022**

**NORAZILA & CO. (AF 002326)
CHARTERED ACCOUNTANTS**

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS : NEIL CAMPBELL
DAVID MICHAEL SETTERGREN
BERNARD KHOO CHONG PHOE
CHRISTOPHER MARTIN BOYD
CHOO YON KIT
RUSSELL NEVIL ST. GEORGE JONES
LEONG PANG WAI
TAN BOON CHEOW

COMPANY SECRETARY : KRISHNAN A/L KS MANIAM
(MIA 14559)

REGISTERED OFFICE : 160-4-5, KOMPLEKS MALURI
JALAN JEJAKA, TAMAN MALURI
55100 KUALA LUMPUR

PRINCIPAL PLACE OF BUSINESS : NO: 3 JALAN BUDIMAN 11,
TAMAN MULIA, BANDAR TUN RAZAK,
56000 KUALA LUMPUR.

AUDITORS : NORAZILA & CO (AF002326)
UNIT 6-8-6, QUEEN'S AVENUE
JALAN BAYAM OFF JALAN PEEL
55100 CHERAS, KUALA LUMPUR
WP KUALA LUMPUR

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principle activities of the Company are managing, preserving, research, publication, creating permanent exhibition, developing a focal point and enhancing the sport of hashing.

There has been no significant change in the nature of these activities during the financial year.

RESULTS

| | RM |
|-----------------------------------------|---------------|
| Surplus for the year before taxation | 71,964 |
| Taxation | - |
| Net surplus for the year after taxation | <u>71,964</u> |

RESERVES AND PROVISIONS

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

DIRECTORS

The directors of the Company in office at any time during the financial year and since the end of the financial year up to the date of this report are:

Neil Campbell
David Michael Settergren
Bernard Khoo Chong Phoe
Christopher Martin Boyd
Choo Yon Kit
Russell Nevil St. George Jones
Leong Pang Wai
Tan Boon Cheow
Joseph A/L Doraisamy (*Retired on 13.07.2022*)

Subsequent to the financial position date, the following took place.

Bernard Khoo Chong Poe (*Deceased on 02.02.2023*)

DIRECTORS' BENEFITS

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

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

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DIRECTORS' BENEFITS (CONT'D)

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remunerations received or due and receivable by the directors shown in the financial statements or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

DIRECTORS' REMUNERATIONS

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

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

No payment has been paid to or receivable by any third party in respect of the services provided to the Company by the directors or past directors of the Company during the financial year.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

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

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

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

As at the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- (c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

OTHER STATUTORY INFORMATION (CONT'D)

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

- (a) any charge on the assets of the Company which has arisen since the end of the financial 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 financial 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 financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors:

- (a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATIONS

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

| | 2022 |
|-----------------|--------------|
| | RM |
| Statutory audit | <u>1,000</u> |

YAYASAN HASH HERITAGE
Registration No.: 200001017246 (519853-D)
(Incorporated in Malaysia)

AUDITORS


The retiring auditors, Messrs. Norazila & Co., have indicated their willingness to be re-appointed.

Signed on behalf of the Board of Directors in accordance with the resolution of the Directors.

The Board of Directors,



CHOO YON KIT
Director



LEONG PANG WAI
Director

Dated: 05 MAY 2023
Kuala Lumpur, Malaysia

YAYASAN HASH HERITAGE
Registration No.: 200001017246 (519853-D)
(Incorporated in Malaysia)

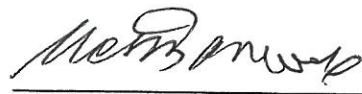
STATEMENT BY DIRECTORS
Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **YAYASAN HASH HERITAGE**, state that, in their opinion, the financial statements of the Company set out on pages attached are drawn up in accordance with Malaysian Financial Reporting Standard (MFRS) 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 2022 and of the results and the cash flows of the Company for the financial year then ended.

Signed in accordance with the resolution of the Directors.



CHOO YON KIT
Director



LEONG PANG WAI
Director

Dated: **05 MAY 2023**
Kuala Lumpur, Malaysia

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

I, **CHOO YON KIT** [IC No: 491124-10-6403], the Director primarily responsible for the financial management of **YAYASAN HASH HERITAGE**, do solemnly and sincerely declare that the financial statements as at 31 December 2022, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
the abovenamed at Kuala Lumpur on

05 MAY 2023



CHOO YON KIT
Director

Before me,

COMMISSIONER FOR OATHS



199-B, Jalan Besar,
Kg. Cheras Baru, Bkt C,
56100 Cheras, Kuala Lumpur.



Independent Auditors' Report to the members of YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **YAYASAN HASH HERITAGE**, which comprise the Statement of Financial Position as at 31 December 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standard (MFRS) 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.

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.



Independent Auditors' Report to the members of

YAYASAN HASH HERITAGE - continued

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



Independent Auditors' Report to the members of YAYASAN HASH HERITAGE - *continued*

Registration No.: 200001017246 (519853-D)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'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.
- 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.

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.

NORAZILA & CO.
Firm No: AF 002326
Chartered Accountants

NORAZILA SANUSI
Auditor's No: 03420/02/2025(J)
Chartered Accountant

Dated: **05 MAY 2023**
Kuala Lumpur, Malaysia

YAYASAN HASH HERITAGE
 Registration No.: 200001017246 (519853-D)
 (Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | Note | 2022 RM | 2021 RM |
|----------------------------------|------|----------------|----------------|
| ASSETS | | | |
| NON-CURRENT ASSET | | | |
| Property, plant and equipment | 4 | 658,099 | 593,964 |
| CURRENT ASSETS | | | |
| Other receivable and deposit | 5 | 750 | - |
| Cash and bank balances | 6 | 12,146 | 3,957 |
| | | 12,896 | 3,957 |
| TOTAL ASSETS | | <u>670,995</u> | <u>597,921</u> |
| FUND AND LIABILITY | | | |
| FUNDS | | | |
| Building fund | 7 | 451,425 | 451,425 |
| Accumulated funds | 8 | 190,604 | 118,640 |
| TOTAL FUNDS | | <u>642,029</u> | <u>570,065</u> |
| CURRENT LIABILITY | | | |
| Other payables and accruals | 9 | 28,966 | 27,856 |
| TOTAL LIABILITY | | <u>28,966</u> | <u>27,856</u> |
| TOTAL FUNDS AND LIABILITY | | <u>670,995</u> | <u>597,921</u> |

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

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

| | Note | 2022 RM | 2021 RM |
|---------------------------------------------------|------|----------------------|---------------------|
| Income | 10 | <u>88,586</u> | <u>5,000</u> |
| | | 88,586 | 5,000 |
| Other income | | - | 954 |
| Operating expenses | | <u>(16,622)</u> | <u>(3,828)</u> |
| Surplus before tax | 11 | 71,964 | 2,126 |
| Taxation | 12 | <u>-</u> | <u>-</u> |
| Surplus for the financial year | | 71,964 | 2,126 |
| OTHER COMPREHENSIVE INCOME, NET OF TAX | | | |
| Total comprehensive income for the financial year | | <u><u>71,964</u></u> | <u><u>2,126</u></u> |

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

| | Building fund RM | Accumulated fund RM | Total RM |
|------------------------------------------------------|-----------------------------|------------------------------------|-----------------------|
| As at 1 January 2021 | 443,782 | 116,514 | 560,296 |
| Total comprehensive income for the financial year | <u>7,643</u> | <u>2,126</u> | <u>9,769</u> |
| As at 31 December 2021 | 451,425 | 118,640 | 570,065 |
| Total comprehensive income for the financial year | <u>-</u> | <u>71,964</u> | <u>71,964</u> |
| As at 31 December 2022 | <u><u>451,425</u></u> | <u><u>190,604</u></u> | <u><u>642,029</u></u> |

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

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

| | 2022 RM | 2021 RM |
|--------------------------------------------------------------|----------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Surplus before tax | 71,964 | 2,126 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | <u>65</u> | <u>65</u> |
| Operating surplus before working capital changes | 72,029 | 2,191 |
| Increase/(decrease) in working capital | | |
| Other receivables and deposits | (750) | - |
| Other payables and accruals | <u>1,110</u> | <u>(16,928)</u> |
| Cash generated from/(used in) operations | 72,389 | (14,737) |
| Tax paid | <u>-</u> | <u>(128)</u> |
| Net cash generated from/(used in) operating activities | <u>72,389</u> | <u>(14,865)</u> |
| CASH FLOWS FROM INVESTING ACTIVITY | | |
| Purchase of property, plant and equipment | <u>(64,200)</u> | <u>(1,551)</u> |
| Net cash used in investing activity | <u>(64,200)</u> | <u>(1,551)</u> |
| CASH FLOWS FROM FINANCING ACTIVITY | | |
| Building fund | <u>-</u> | <u>7,643</u> |
| Net cash from financing activity | <u>-</u> | <u>7,643</u> |
| Net increase/(decrease) in cash and cash equivalents | 8,189 | (8,773) |
| Cash and cash equivalents at beginning of the financial year | <u>3,957</u> | <u>12,730</u> |
| Cash and cash equivalents at end of the financial year | <u><u>12,146</u></u> | <u><u>3,957</u></u> |
| Cash and cash equivalents comprise: | | |
| Cash at bank balances | <u><u>12,146</u></u> | <u><u>3,957</u></u> |

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

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1 GENERAL INFORMATION

Yayasan Hash Heritage (the “Company”) is a private company limited by guarantee incorporated and domiciled in Malaysia.

The registered office is located at 160-4-5, Kompleks Maluri, Jalan Jejaka, Taman Maluri 55100 Kuala Lumpur. The principal place of business is located at No. 3, Jalan Budiman 11, Taman Mulia Bandar Tun Razak, 56000 Kuala Lumpur.

The principle activities of the Company are managing, preserving, research, publication, creating permanent exhibition, developing a focal point and enhancing the sport of hashing.

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Financial Reporting Standard (‘MFRS’) and the requirements of the Companies Act 2016.

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

The financial statements of the Company are presented in Ringgit Malaysia (RM), which is the company’s functional currency.

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.

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.

YAYASAN HASH HERITAGE

Registration No.: 200001017246 (519853-D)

(Incorporated in Malaysia)

2.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

| | <u>Useful lives (Years)</u> |
|----------------------|-----------------------------|
| Leasehold land | 100 years |
| Building in progress | N/A |
| Shelter | 5 years |

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.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell, value in use and zero.

2.2 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS (CONT'D)

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 FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

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

i) Financial Assets At Fair Value Through Profit Or Loss

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

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.

2.3 FINANCIAL ASSETS (CONT'D)

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
- 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.

iv) 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.

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2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

2.5 FINANCIAL LIABILITIES AND EQUITY

i) Classification Of Financial 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.

2.6 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.

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.

2.6 FINANCIAL LIABILITIES (CONT'D)

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.

2.7 REVENUE

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

i) Sale Of Goods

Revenue is recognised upon delivery of goods and customers' acceptance, and the Company has a present right to payment for goods sold. Revenue is measured based on the consideration specified in a contract with customer and where applicable, net of goods and services tax, expected returns, cash and trade discounts.

ii) Donation

Revenue from donation is recognised on receipt basis.

2.8 EMPLOYMENT BENEFITS

i) Short-Term 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.

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.

ii) Defined Contribution Plan

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

2.9 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 carry forward of unused tax losses and unused tax credits.

2.9 INCOME TAX(CONT'D)

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 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting year. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The estimates and judgements that management has made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements, are as follows:

i) Depreciation of Property, Plant and Equipment

The cost of an item of property, plant and equipment is depreciated on the straight-line method or another systematic method that reflects the consumption of the economic benefits of the asset over its useful life. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property, plant and equipment may differ from the estimates applied and this may lead to a gain or loss on an eventual disposal of an item of property, plant and equipment.

ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

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4 PROPERTY, PLANT AND EQUIPMENT

| | As at 01.01.2022 RM | Additions RM | Disposals RM | As at 31.12.2022 RM |
|----------------------|---------------------------|-----------------|-----------------|---------------------------|
| <u>Cost</u> | | | | |
| Building in progress | 588,550 | 64,200 | - | 652,750 |
| Leasehold land | 6,526 | - | - | 6,526 |
| Shelter | 64,267 | - | - | 64,267 |
| | 659,343 | 64,200 | - | 723,543 |

| | As at 01.01.2022 RM | Charges for the financial year RM | Disposals RM | As at 31.12.2022 RM |
|----------------------------------------|---------------------------|--------------------------------------------|-----------------|---------------------------|
| <u>Accumulated Depreciation</u> | | | | |
| Leasehold land | 1,113 | 65 | - | 1,178 |
| Shelter | 64,266 | - | - | 64,266 |
| | 65,379 | 65 | - | 65,444 |

| | 2022 RM | 2021 RM |
|--------------------------------|------------|------------|
| <u>Carrying Amounts</u> | | |
| Building in progress | 652,750 | 588,550 |
| Leasehold land | 5,348 | 5,413 |
| Shelter | 1 | 1 |
| | 658,099 | 593,964 |

5 OTHER RECEIVABLE AND DEPOSIT

| | 2022 RM | 2021 RM |
|---------|------------|------------|
| Deposit | 750 | - |
| | 750 | - |

6 CASH AND BANK BALANCES

| | 2022 | 2021 |
|--------------|---------------|--------------|
| | RM | RM |
| Cash in hand | 89 | 89 |
| Cash at bank | 12,057 | 3,868 |
| | <u>12,146</u> | <u>3,957</u> |

7 BUILDING FUND

| | 2022 | 2021 |
|----------------------|----------------|----------------|
| | RM | RM |
| As at 01 January | 451,425 | 443,782 |
| Gain during the year | - | 7,643 |
| As at 31 December | <u>451,425</u> | <u>451,425</u> |

8 ACCUMULATED FUND

| | 2022 | 2021 |
|----------------------|----------------|----------------|
| | RM | RM |
| As at 01 January | 118,640 | 116,514 |
| Surplus for the year | 71,964 | 2,126 |
| As at 31 December | <u>190,604</u> | <u>118,640</u> |

9 OTHER PAYABLES AND ACCRUALS

| | 2022 | 2021 |
|----------------|---------------|---------------|
| | RM | RM |
| Other payables | 24,678 | 25,478 |
| Accruals | 4,288 | 2,378 |
| | <u>28,966</u> | <u>27,856</u> |

Included in other payables is an amount of RM15,000 (2021: RM15,000) owing to a director of the Company. The amount is non-trade, unsecured and repayable on demand.

10 INCOME

| | 2022 | 2021 |
|-------------------|---------------|--------------|
| | RM | RM |
| Donation received | 88,586 | 5,000 |
| | <u>88,586</u> | <u>5,000</u> |

11 SURPLUS FOR THE FINANCIAL YEAR

| | 2022 | 2021 |
|-----------------------------------------------|--------------|--------------|
| | RM | RM |
| This is stated after charging: | | |
| Audit fee | 1,000 | 800 |
| Depreciation of property, plant and equipment | 65 | 65 |
| Secretarial and filing fee | 1,460 | 2,540 |
| | <u>1,460</u> | <u>2,540</u> |

12 TAXATION

| | 2022 | 2021 |
|----------------------------------------------|-------------|-------------|
| | RM | RM |
| Current tax expense – current financial year | - | - |
| Tax expense | - | - |
| | <u>-</u> | <u>-</u> |

RECONCILIATION OF TAX EXPENSE:

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

| | 2022 | 2021 |
|------------------------------------------|-------------|-------------|
| | RM | RM |
| Surplus for the financial year | 71,964 | 2,126 |
| Tax at Malaysian statutory tax rate @17% | 12,234 | 361 |
| Tax effects of: | | |
| Non-taxable income | - | (850) |
| Non-deductible expenses | 11 | 332 |
| Others | (12,245) | 157 |
| Tax expense | <u>-</u> | <u>-</u> |

13 FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

| 2022 | Carrying amount RM | Amortised cost RM |
|------------------------------------------------|-----------------------------------|----------------------------------|
| Financial assets at amortised cost | | |
| Other receivables and deposit | 750 | 750 |
| Cash and bank balances | 12,146 | 12,146 |
| | <u>12,896</u> | <u>12,896</u> |
| Financial liabilities at amortised cost | | |
| Other payables and accruals | 28,966 | 28,966 |
| | <u>28,966</u> | <u>28,966</u> |
| | | |
| 2021 | Carrying amount RM | Amortised cost RM |
| Financial assets at amortised cost | | |
| Cash and bank balances | 3,957 | 3,957 |
| | <u>3,957</u> | <u>3,957</u> |
| Financial liabilities at amortised cost | | |
| Other payables and accruals | 27,856 | 27,856 |
| | <u>27,856</u> | <u>27,856</u> |

12 FINANCIAL RISK MANAGEMENT

The Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are set out below.

i) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The credit risk is controlled by the application of credit approvals, limit and monitoring procedures. An internal credit review is conducted if the credit risk is material.

ii) LIQUIDITY AND CASH FLOW RISKS

The Company actively manages its operating cash flows and availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Company maintains sufficient levels of cash to meet its working capital requirements.

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13 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

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

05 MAY 2023

Lodged by: Kemas Secretarial Services Sdn. Bhd.
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