

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEMBOND WATER TECHNOLOGIES (MALAYSIA) SDN. BHD.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Chembond Water Technologies (Malaysia) Sdn. Bhd.**, which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and other 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 material accounting policy information, as set out on pages 11 to 37.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEMBOND WATER TECHNOLOGIES (MALAYSIA) SDN. BHD. (Continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHEMBOND WATER TECHNOLOGIES (MALAYSIA) SDN. BHD. (Continued)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communication with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CHEMBOND WATER TECHNOLOGIES (MALAYSIA) SDN.
BHD.** (Continued)

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.

A. D. CHUN & CO.
AF: 0099
Chartered Accountants

CHUN CHIA KAI
03149/06/2025 (J)
Chartered Accountant

Kuala Lumpur, Malaysia
Dated

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2024

	Note	2024 RM	2023 RM
Assets			
Non-current assets			
Property, plant and equipment	5	28,600	49,167
Deferred tax assets	6	24,113	23,376
Total non-current assets		<u>52,713</u>	<u>72,543</u>
Current assets			
Inventories	7	58,337	273,780
Trade and other receivables	8	403,242	416,043
Current tax assets		26,487	32,510
Cash and cash equivalents	9	328,585	128,535
Total current assets		<u>816,651</u>	<u>850,868</u>
Total assets		<u><u>869,364</u></u>	<u><u>923,411</u></u>
Equity and liabilities			
Capital and reserves			
Contributed share capital	10	200,000	200,000
Retained profits	11	410,559	120,580
Total equity		<u>610,559</u>	<u>320,580</u>
Current liabilities			
Trade and other payables	12	258,805	602,831
Total equity and liabilities		<u><u>869,364</u></u>	<u><u>923,411</u></u>

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM	2023 RM
Continuing operations			
Revenue	13	1,630,248	2,277,708
Cost of sales		<u>(931,978)</u>	<u>(1,953,774)</u>
Gross profit		698,270	323,934
Administration expenses		(266,503)	(261,460)
Selling and distribution expenses		(12,396)	(24,144)
Other operating expenses		<u>(105,778)</u>	<u>(129,125)</u>
Profit/(Loss) before taxation	14	313,593	(90,795)
Income tax expense	15	<u>(23,614)</u>	<u>10,000</u>
(Profit)/Loss net of tax, representing total comprehensive income/(expenses) for the financial year		<u><u>289,979</u></u>	<u><u>(80,795)</u></u>

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	<i>Attributable to Owners of the Company</i>		
	Contributed share capital RM	Retained profits RM	Total RM
As at 1 April 2023	200,000	120,580	320,580
Profit for the financial year, net of tax	-	289,979	289,979
As at 31 March 2024	200,000	410,559	610,559
As at 1 April 2022	200,000	201,375	401,375
Loss for the financial year, net of tax	-	(80,795)	(80,795)
As at 31 March 2023	200,000	120,580	320,580

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit/(Loss) before taxation		313,593	(90,795)
<i>Adjustment for:</i>			
Depreciation of property, plant and equipment		<u>20,567</u>	<u>51,317</u>
Operating loss before working capital changes		334,160	(39,478)
Decrease in inventories		215,443	87,493
Increase in receivables		(107,734)	(107,734)
(Decrease)/Increase in payables		<u>(344,026)</u>	<u>235,806</u>
Cash generated from operations		218,378	176,087
Taxation paid		<u>(18,328)</u>	<u>(12,500)</u>
Net cash generated from operating activities		<u>200,050</u>	<u>163,587</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		<u>-</u>	<u>(59,450)</u>
Net cash used in investing activities		<u>-</u>	<u>(59,450)</u>
Net increase in cash and cash equivalents		200,050	104,137
Cash and cash equivalents brought forward		<u>128,535</u>	<u>24,398</u>
Cash and cash equivalents carried forward	9	<u><u>328,585</u></u>	<u><u>128,535</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH 2024

1. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) issued by the Malaysian Accounting Standards Board (“MASB”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared under the historical cost convention unless otherwise stated in the summary of significant accounting policies.

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

2. MATERIAL ACCOUNTING POLICIES INFORMATION

The Company adopted amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 - *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of “material”, rather than “significant”, accounting policies. The amendments did not result in any changes to the accounting policy information disclosed in the financial statements.

The financial statements have been prepared on the historical cost basis, except when indicated in the individual policy notes. The principal accounting policies adopted are set out below:

(a) Property, plant and equipment and depreciation

(i) Recognition and measurement

Cost includes expenditures that are readily attributable to the acquisition of the asset and any other cost directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from the disposal with the carrying amount of property, plant and equipment and are recognised net within “other income” or “other expenses” respectively in profit or loss as incurred.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit and loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(a) Property, plant and equipment and depreciation (Continued)

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonable certain that the Company will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

	<u>Method</u>	<u>Useful life (years)</u>
Computer	Straight-line	1
Plant and machinery	Straight-line	3
Office equipment	Straight-line	1

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(b) Impairment of non-financial assets

The carrying amounts of property, plant and equipment and other non-current assets, including intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of asset or its cash-generating unit exceeds its recoverable amount.

The impairment loss is charged to the statement of income unless it reverses a previous revaluation in which case it is charged to the revaluation reserve. Any subsequent increase in recoverable amount is recognised in the statement of income unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve.

An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment loss are recognised in the statement of income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(c) Receivables

Most sales are made on the basis of normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

(d) Inventories

Inventories are valued at lower of the cost determined on weighted average basis or net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis. Damaged, unserviceable and inert stocks are valued at net realisable value.

(e) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and bank balances which have an insignificant risk of changes in fair value with original maturities of three months or less, and used by the Company in the management of their short-term commitments.

(f) Liabilities

Payables are stated at cost, which is the fair value of the consideration to be paid in the future for goods and services received. Borrowings are interest-bearing and are recorded at the amount of proceeds received, net of transaction costs.

(g) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. The unwinding of the discount is recognised as an interest expense.

(h) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS (Continued) AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(i) Revenue

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Company’s customary business practices.

Revenue is measured at the amount of consideration to which the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Company estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- (i) The customer simultaneously receives and consumes the benefits provided by the Company’s performance as the Company perform;
- (ii) The Company’s performance created or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) The Company’s performance does not create an asset with an alternative use and the Company have an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Service contracts

The Company recognises revenue from service contracts over time if it creates an asset with no alternative use to the Company has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(j) Foreign currencies

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.

(k) Related parties

A party is related to an entity if:

- (i) Directly, or indirectly through one or more intermediaries, the party:
 - (a) Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (b) Has an interest in the entity that gives it significant influence over the entity;
or
 - (c) Has joint control over the entity;
- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venture;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled, or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(l) Employee benefits

(i) Short-term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave is recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when absences occur. The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund (“EPF”). Such contributions are recognised as an expense as incurred. Once the contributions have been paid, the Company has no further payment obligations.

(m) Financial instruments

Unless specifically disclosed below, the Company generally applied the following accounting policies retrospectively.

(i) Initial recognition and measurement

A financial asset or a financial liabilities is recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial assets (unless it is a trade receivable without significant financing component) or a financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price. Unless specifically disclosed below, the Company generally applied the following accounting policies retrospectively.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial assets, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

NOTES TO THE FINANCIAL STATEMENTS (Continued) AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(m) Financial instruments (Continued)

(ii) Financial instrument categories and subsequent measurement

The Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

Financial liabilities

Current financial year

The category of financial liabilities at initial recognition is as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(m) Financial instruments (Continued)

(iii) Offsetting of financial instruments (Continued)

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial assets are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(n) Impairment

(i) Financial assets

At each reporting date, the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 *Financial Instruments*. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(n) Impairment (Continued)

(i) Financial assets (Continued)

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

(ii) Non-financial assets

The carrying amounts of the other assets (except for inventories and deferred tax asset) are reviewed at each reporting period to determine whether there is any indication of impairment.

If any such indication exist, then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.

Impairment losses are recognised in profit or loss.

In respect of non-financial assets, impairment losses recognised in current periods are assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2. MATERIAL ACCOUNTING POLICIES INFORMATION (Continued)

(o) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date and any adjustments recognised for current years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date and any adjustments recognised for current years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable temporary differences relating to the same taxable entity and the same taxation authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

3. CHANGE IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2023.

Effective for annual periods beginning on or after 1 January 2023

MFRS 17	<i>Insurance Contracts</i>
Amendments to MFRS 17	<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Classification of Liabilities as Current or Non-current</i>
Amendments to MFRS 108	<i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>
Amendments to MFRS 112	<i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to MFRS 101	<i>Presentation of Financial Statements - Non-current Liabilities with Covenants</i>
Amendments to MFRS 10 and MFRS 128	<i>Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>

The adoption of these standards did not have any material effect on the financial performance or financial position of the Company.

Standards issued but not yet effective

The standards that are issued but not yet effective up to the date of issuance of the Company's financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective.

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121	<i>The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability</i>
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The Directors expect that the adoption of the standards above will have no material impact on the financial statements in the financial year of the initial application.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

4. MATERIAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and the technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(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 be impact the income tax and deferred tax provisions in the year in which such determination is made.

(iii) Impairment of non-financial assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses, unabsorbed capital allowances and unutilised tax allowances to the extent that it is probable that taxable profits will be available against which the losses and tax allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The information on deferred tax assets is disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Computer RM	Plant and machinery RM	Office equipment RM	Total RM
<i>Cost</i>				
At 1 April 2022	4,989	271,043	3,244	279,276
Addition	2,250	57,200	-	59,450
At 31 March 2023	7,239	328,243	3,244	338,726
At 1 April 2023	7,239	328,243	3,244	338,726
At 31 March 2024	7,239	328,243	3,244	338,726
<i>Accumulated depreciation</i>				
At 1 April 2022	4,989	230,009	3,244	238,242
Addition	750	50,567	-	51,317
At 31 March 2023	5,739	280,576	3,244	289,559
At 1 April 2023	5,739	280,576	3,244	289,559
Addition	1,500	19,067	-	20,567
At 31 March 2024	7,239	299,642	3,244	310,125
<i>Net book value</i>				
At 31 March 2023	1,500	47,667	-	49,167
At 31 March 2024	-	28,600	-	28,600

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

6. DEFERRED TAX ASSETS

The components and movements of deferred tax assets during the financial year prior to offsetting are as follows:

	At 1.4.2022 RM	Recognised in Profit or Loss (Note 15) RM	At 31.3.2023/ 1.4.2023 RM	Recognised in Profit or Loss (Note 15) RM	At 31.3.2024 RM
<i>Deferred tax assets</i>					
Unabsorbed business losses	(393)	(3,308)	(3,701)	-	(3,701)
Unutilised capital allowances	(13,266)	(1,878)	(15,144)	-	(15,144)
	(13,659)	(5,186)	(18,845)	-	(18,845)
<i>Deferred tax liability</i>					
Equipment	283	(4,814)	(4,531)	(737)	(5,268)
	(13,376)	(10,000)	(23,376)	(737)	(24,113)

7. INVENTORIES

	2024 RM	2023 RM
At cost:		
Raw materials	58,337	273,780
Recognised in profit or loss:		
Inventories recognised as cost of sales	842,706	1,856,533

8. TRADE AND OTHER RECEIVABLES

	2024 RM	2023 RM
Trade		
Third parties	402,724	413,325
Other receivables		
Prepayments	518	2,718
Total trade and other receivables	403,242	416,043

The Company's normal trade credit term ranges from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

9. CASH AND CASH EQUIVALENTS

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

	2024	2023
	RM	RM
Cash in hand	686	2,221
Cash at bank	<u>327,899</u>	<u>126,314</u>
Total cash and cash equivalents	<u><u>328,585</u></u>	<u><u>128,535</u></u>

10. CONTRIBUTED SHARE CAPITAL

	2024	2024	2023	2023
	No. of	Monetary	No. of	Monetary
	shares	value	shares	value
		RM		RM
Issued and fully paid:				
At beginning and end of the financial year	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

11. RETAINED PROFITS

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

12. TRADE AND OTHER PAYABLES

	2024	2023
	RM	RM
Trade		
Third parties	16,080	1,850
Amount due to Holding Company	<u>214,967</u>	<u>587,405</u>
	231,047	589,255
Non-trade		
Other payables and accruals	<u>27,758</u>	<u>13,576</u>
Total trade and other payables	<u><u>258,805</u></u>	<u><u>602,831</u></u>

The Company's normal trade credit term ranges from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

12. TRADE AND OTHER PAYABLES (Continued)

The amounts due to Holding Company represent trade transactions and advances which are unsecured, interest-free and have no fixed terms of repayment.

The carrying amounts of the trade payables and trade amount due to Holding Company are denominated in the following currencies:

	2024	2023
	RM	RM
- Ringgit Malaysia (“RM”)	1,890	1,850
- United States Dollar (“USD”)	229,157	587,405
	<u>231,047</u>	<u>589,255</u>

13. REVENUE

	2024	2023
	RM	RM
Revenue		
- Sales of goods	1,242,848	1,875,891
- Rendering of services	385,200	395,200
- Delivery fees collected	2,200	6,617
	<u>1,630,248</u>	<u>2,277,708</u>

Timing of revenue recognition:

- Point in time	<u>1,630,248</u>	<u>2,277,708</u>
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Sales of goods

Revenue is recognised at a point in time when control over the goods have been transferred to the customer and obtain customer acceptance of the said goods. Revenue is recognised based on the price specified in the invoices, net of discounts, rebates and incentives where applicable.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

14. PROFIT/(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation has been arrived at:

	2024	2023
	RM	RM
After charging:		
Auditor's remuneration	3,350	4,000
Depreciation of property, plant and equipment	20,567	51,317
Expenses for employee benefits*	212,381	197,629
Rental of registered office	6,000	6,000
Rental of store	600	-
Realised loss on foreign exchange	<u>79,461</u>	<u>71,408</u>

*** The employee benefits expenses of the Company comprise:**

Short-term benefits of salaries and wages	<u>196,781</u>	<u>182,029</u>
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Included in employee benefits expenses is:

- Directors' fees	<u>15,600</u>	<u>15,600</u>
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Total employee benefits expenses	<u>212,381</u>	<u>197,629</u>
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The numbers of employees of the Company including Directors as at the end of the financial year are 8 (2023: 11).

15. INCOME TAX EXPENSE

	2024	2023
	RM	RM
Current income tax expense:		
- Taxes payables in Malaysia	24,351	-
Deferred tax benefit (Note 6)	<u>(737)</u>	<u>(10,000)</u>
Total tax expense/(benefit) for the financial year	<u>23,614</u>	<u>(10,000)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

15. INCOME TAX EXPENSE (Continued)

	2024	2023
	RM	RM
Reconciliation of tax expense:		
Profit/(Loss) before taxation	<u>313,593</u>	<u>(90,795)</u>
Tax at the statutory income tax rate 24%	75,262	(21,791)
Tax effect of expenses disallowed for tax purpose		
- Other expenses disallowed for tax purpose	(50,911)	21,791
Deferred tax benefit	<u>(737)</u>	<u>(10,000)</u>
Tax expense/(benefit)	<u>23,614</u>	<u>(10,000)</u>

The current Malaysian tax rate is 24% (2023: 24%) on the chargeable income.

The company has unutilised capital allowances and unabsorbed business losses amounting to RMNil and RMNil (2023: RM63,105 and RM15,419) respectively.

The availability of the unutilised tax losses and unabsorbed capital allowances for offsetting against future taxable profits of the company are subject to no substantial change in shareholdings of the company under Section 44(5A) and Paragraph 75A, Schedule 3 of the Income Tax Act, 1967 (“the Act”). However, the Minister of Finance may exercise his powers under Section 44(5D) and Paragraph 75C, Schedule 3 of the Act to exempt all companies except dormant companies from the provision of Section 44(5A) and Paragraph 75A, Schedule 3 of the Act respectively. The unutilised tax losses can be carried forward and available for use for 10 years starting from the tax losses’ respective year of assessment.

16. RELATED PARTY TRANSACTIONS AND BALANCES

During the financial year, the Company carried the following transactions and balances with the related party during the financial year:

	2024	2023
	RM	RM
Purchases from Holding Company	584,426	676,695
Amount due to Holding Company - Trade	214,967	587,405
Consultancy fees	<u>12,000</u>	<u>12,000</u>

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favourable than those arranged with independent third parties.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Loans and receivables	
	2024	2023
	RM	RM
Financial assets		
Trade and other receivables	403,242	416,043
Cash and cash equivalents	328,585	128,535
	<u>731,827</u>	<u>544,578</u>
Finance liabilities at amortised cost		
	2024	2023
	RM	RM
Financial liabilities		
Trade and other payables	<u>258,805</u>	<u>602,831</u>

(b) Financial risk management

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its market risks (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

(i) Credit risk

Credit risk is the risk of a financial loss to the Company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its loans and receivables. For other financial assets (including cash and cash equivalents), the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS (Continued) AS AT 31 MARCH 2024

17. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Receivables

Risk management objectives, policies and processes for managing the risk

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of receivables ageing.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Company. The Company uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

As at the date of the reporting period, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of receivables presented in the statement of financial position.

Related-company balances

The company provides unsecured loans and advances to its related company.

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount in the statement of financial position. There was no indication that the loans and advances to related company are not recoverable. The Company does not specifically monitor the ageing of the advances to the related company. Nevertheless, these advances are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

17. FINANCIAL INSTRUMENTS (Continued)

(b) Financial risk management (Continued)

(ii) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain credit facilities.

Analysis of financial instruments by remaining contractual maturities

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on undiscounted contractual cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

	Less than 1 year RM	Total RM
Financial liabilities		
2024		
Trade and other payables	258,805	258,805
2023		
Trade and other payables	602,831	602,831

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Company's financial position or cash flow.

Foreign exchange risk

The Company mainly operates in Ringgit Malaysia ("RM") with most of the transactions denominated and settled in RM, while the Company also has limited foreign currency transactions in relation to its trade receivables and payables. The Company is exposed to foreign currency exchange risk primarily with respect to RM as follows. The Company does not hedge against any fluctuation in foreign currency.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

17. **FINANCIAL INSTRUMENTS** (Continued)

(b) **Financial risk management** (Continued)

(iii) **Market risk** (Continued)

	2024	2023
	RM	RM
Trade receivables		
Ringgit Malaysia (“RM”)	<u>402,724</u>	<u>413,325</u>
Trade payables		
Ringgit Malaysia (“RM”)	1,890	1,850
United States Dollar (“USD”)	<u>229,157</u>	<u>587,405</u>
	<u>231,047</u>	<u>589,255</u>

Sensitivity analysis

An increase of 100 basis points (1%) in foreign exchange risk at the statement of financial position date would have decreased equity and profit or loss by the amounts shown below. This calculation assumes that the change occurred at the statement of financial position date and had been applied to risk exposures existing at that date. This analysis assumes that all other variables remain constant and considers the effect on financial instruments with foreign exchange risk and financial instruments at fair value through profit or loss.

Other than cash and cash equivalents, the Company has no significant interest-bearing assets. The Company’s income and operating cash flows are substantially independent of changes in market interest rates.

The Company’s interest rate risk mainly arises from borrowings. Borrowings at variable rates expose the Company to cash flow interest rate risk. The Company has not used any financial instruments to hedge potential fluctuations in interest rates during the financial year.

(iv) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company’s financial instrument will fluctuate because of changes in market interest rates. The Company’s exposure to interest rate risk arises mainly from its interest-bearing financial assets and liabilities. The Company’s policy is to obtain the most favourable interest rate available. Any surplus funds of the Company will be placed with licensed financial institutions to generate interest income and dividend income.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
AS AT 31 MARCH 2024

17. FINANCIAL INSTRUMENTS (Continued)

(c) Capital risk management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Company may adjust the dividend payment, returning of capital to shareholders or issuing new shares.

The gearing ratios at 31 March 2024 and 31 March 2023 were as follows:

	2024	2023
	RM	RM
Trade and other payables	258,805	602,831
Less: Cash and cash equivalents	<u>(328,585)</u>	<u>(128,535)</u>
Net debt (A)	(69,780)	474,296
Total equity, representing total capital	<u>634,173</u>	<u>320,580</u>
Capital and net debt (B)	<u>564,393</u>	<u>794,876</u>
Gearing ratio (A/B)	<u>*</u>	<u>60%</u>

** Not meaningful*

18. COMPARATIVE FIGURES

No comparative figures have been reclassified to conform to current financial year's format of presentation.

19. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated

DETAILED STATEMENT OF INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024	2023
	RM	RM
Revenue	<u>1,630,248</u>	<u>2,277,708</u>
Less: Cost of sales		
Opening inventories	273,780	361,273
Custom duty	63,268	69,787
Freight and handling charges	25,404	27,454
Purchases	627,263	1,769,040
Sub-contractor	600	-
	<u>990,315</u>	<u>2,227,554</u>
Less: Closing inventories	<u>(58,337)</u>	<u>(273,780)</u>
	<u>931,978</u>	<u>1,953,774</u>
Gross profit	698,270	323,934
Less: Expenses		
Administration expenses	(266,503)	(261,460)
Selling and distribution expenses	(12,396)	(24,144)
Other operating expenses	(105,778)	(129,125)
	<u>(384,677)</u>	<u>(414,729)</u>
Profit/(Loss) before taxation	<u><u>313,593</u></u>	<u><u>(90,795)</u></u>

STATEMENT OF EXPENSES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024	2023
	RM	RM
Administration expenses		
Administrative and accounting fees	16,800	16,800
Bank charges	201	1,370
Consultancy fees	12,000	12,000
Directors' fees	15,600	15,600
Entertainments	-	123
EPF, EIS and SOCSO contributions	24,907	22,788
Filing fees	200	350
Gift and donation	-	346
Hardware	1,204	2,016
Human resources service cost	3,600	3,600
Insurance	-	86
Medical expenses	1,611	1,376
Penalty	-	27
Postage and courier charge	397	-
Printing and stationeries	6,482	7,414
Professional services	350	5,200
Rental of registered office	6,000	6,000
Rental of store	600	-
Repair and maintenance	-	74
Safety and compliances expenses	1,453	1,859
Sales and service tax	2,277	2,244
Secretarial fees	1,200	1,200
Service and handling charges	-	455
Staff allowances	3000	4,112
Staff overtime	4,877	4,856
Staff salaries	162,385	148,897
Storage charge	-	530
Telephone and internet charges	1265	1,048
Upkeep of computer	94	1,089
	<u>266,503</u>	<u>261,460</u>

STATEMENT OF EXPENSES (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024	2023
	RM	RM
Selling and distribution expenses		
Petrol, parking and toll	-	873
Travelling and accommodation charges	12,396	23,271
	<u>12,396</u>	<u>24,144</u>
Other operating expenses		
Auditor's remuneration	3,350	4,000
Depreciation of property, plant and equipment	20,567	51,317
Taxation fees	2,400	2,400
Realised loss on foreign exchange	79,461	71,408
	<u>105,778</u>	<u>129,125</u>
Total expenses	<u><u>384,677</u></u>	<u><u>414,729</u></u>