

TRUMER INTERNATIONAL BERHAD
(Incorporated in Malaysia)
and its subsidiaries
Registration No.: 200901037965 (881095-U)
Financial Statements
For the Financial Year Ended
31 December 2023

Directors' Report And Audited Financial Statements

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Registration No.: 200901037965 (881095-U)

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Haji Tik Bin Mustaffa
Abd Hadi Bin Abd Majid
Yoong Voon Chow
Yee Chin Siong
Yap Yen Loong
Mohd Roslan Bin Chik
Tee Boon San

SECRETARY

Siti Aisyah Binti Ab Llah (F) (LS0010014)

REGISTERED OFFICE

2nd Floor, 17 & 19,
Jalan Brunei Barat, Pudu,
55100 Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

PRINCIPAL PLACE OF BUSINESS

No. 16, Jalan SS 19/1G,
47500 Subang Jaya,
Selangor Darul Ehsan,
Malaysia.

AUDITORS

YYC & CO PLT
(LLP0020596-LCA & AF 0055)
CHARTERED ACCOUNTANTS
No. 10-1, Jalan Remia 4/KS6,
Bandar Botanic,
41200 Klang,
Selangor Darul Ehsan,
Malaysia.

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

DIRECTORS' REPORT

For the financial year ended 31 December 2023

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of investment holding and the ownership of a barter trade exchange. The principal activities of the subsidiaries are stated in Note 6 to financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss after tax for the financial year	<u>(733,688)</u>	<u>(348,820)</u>
Attributable to:		
Owners of the parent	(639,923)	(348,820)
Non-controlling interests	<u>(93,765)</u>	<u>-</u>
	<u>(733,688)</u>	<u>(348,820)</u>

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

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year. The Directors do not recommend that a dividend be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions.

ISSUE OF SHARE AND DEBENTURES

There were no issue of new shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES AND DEBENTURES

No options were granted to any person to take up unissued shares or debentures of the Company during the financial year.

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

TRUMER INTERNATIONAL BERHAD

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DIRECTORS' REPORT

(continued)

For the financial year ended 31 December 2023

DIRECTORS OF THE COMPANY

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

Dato' Haji Tik Bin Mustaffa
Abd Hadi Bin Abd Majid
Yoong Voon Chow
Yee Chin Siong
Yap Yen Loong
Mohd Roslan Bin Chik
Tee Boon San

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit 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.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The Directors' remuneration paid to or receivable by the Directors are as follows:

	Group RM	Company RM
Fees	21,000	-

DIRECTORS' INTEREST

According to the register of Directors' shareholding, the interests of Directors in office at the end of the financial year in shares in the Company during the financial year are as follows:

Ordinary Shares

Shares in the Company Direct interest	Number of ordinary shares			At 31.12.2023
	At 01.01.2023	Bought	Sold	
Dato' Haji Tik Bin Mustaffa	10,000,000	-	-	10,000,000
Yoong Voon Chow	10,000,000	-	-	10,000,000
Mohd Roslan Bin Chik	12,000,000	-	-	12,000,000

None of the other Directors in office at the end of the financial year have interest in shares of the Company since the end of the previous financial year.

TRUMER INTERNATIONAL BERHAD

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DIRECTORS' REPORT

(continued)

For the financial year ended 31 December 2023

DIRECTORS' INTEREST (CONTINUED)

Preference Shares	Number of 4% cumulative irredeemable convertible preference shares of RM1.00 each			
	At 01.01.2023	Bought	Sold	At 31.12.2023
Shares in the Company				
Direct Interest				
Yee Chin Siong	2,000,000	-	-	2,000,000
Abd Hadi Bin Abd Majid	2,000,000	-	-	2,000,000

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial year, neither indemnity nor insurance costs are given to or effected for directors, officers and auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:-

- to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- to ensure that any current assets other than debts, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or
- which would render the value attributed to the current assets in the financial statements of the Group and the Company misleading; or
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

TRUMER INTERNATIONAL BERHAD

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DIRECTORS' REPORT

(continued)

For the financial year ended 31 December 2023

OTHER STATUTORY INFORMATION (CONTINUED)

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year to secure the liabilities of any other person, or
- (b) any contingent liability in respect of the Group and of the Company which has arisen since the end of the financial year.

No contingent liability 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, would or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 6 to the financial statements.

AUDITORS' REMUNERATION

The auditors' remuneration during the financial year are as follows:

	Group RM	Company RM
Auditors' remuneration	<u>21,000</u>	<u>9,000</u>

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TRUMER INTERNATIONAL BERHAD

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DIRECTORS' REPORT

(continued)

For the financial year ended 31 December 2023

AUDITORS

The auditors, Messrs YYC & CO PLT, have indicated their willingness to accept re-appointment.

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



Yoong Voon Chow
Director



Yee Chin Siong
Director

Klang, Selangor Darul Ehsan

Dated: 21 AUG 2024

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

STATEMENT BY DIRECTORS

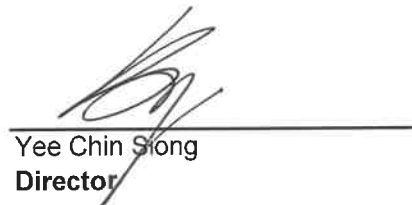
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, the undersigned, being two of the Directors of **Trumer International Berhad**, do hereby state that, in the opinion of the Directors, the accompanying financial statements of the Group and of the Company together with the notes thereto are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2023 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

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



Yoong Voon Chow
Director



Yee Chin Siong
Director

Klang, Selangor Darul Ehsan

Dated: **21 AUG 2024**

STATUTORY DECLARATION

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

I, **Yoong Voon Chow**, the Director primarily responsible for the financial management of **Trumer International Berhad**, do solemnly and sincerely declare that the accompanying financial statements of the Group and of the Company together with the notes thereto are to the best of my knowledge and belief, 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 Klang in Selangor Darul Ehsan on **21 AUG 2024**



Yoong Voon Chow
Director

Before me,

Commissioner for Oaths
Selangor Darul Ehsan



No. 4B,
Lorong Bayu Tinggi 1C/KS6
Taman Bayu Tinggi,
41200 Klang, Selangor.



YYC & CO PLT

Chartered Accountants

(Firm No. LLP0020596-LCA & AF 0055)

(Service Tax ID : W10-1808-31044405)



No. 10-1, Jalan Remia 4/KS6, Bandar Botanic, 41200 Klang, Selangor Darul Ehsan, Malaysia.

T: +60(3)-3318 2136 | Email: audit@yycadvisors.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Trumer International Berhad**, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, as set out on pages 10 to 52.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their 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 Group and the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicates that the Group and the Company incurred a net loss of RM733,688 and RM348,820 respectively during the financial year ended 31 December 2023. As of that date, the Group's and the Company's current liabilities exceeded its current assets by RM18,133,470 and RM223,957 respectively. As stated in Note 2.1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRUMER INTERNATIONAL BERHAD**

(continued)

(Incorporated in Malaysia)
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Information Other than the Financial Statements and Auditors' Report Thereon (continued)

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and 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 this other information, 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 Group and 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 are necessary to enable the preparation of financial statements of the Group and the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and 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 Group and 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:

- i) Identify and assess the risks of material misstatement of the financial statements of the Group and 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRUMER INTERNATIONAL BERHAD**

(continued)

(Incorporated in Malaysia)
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Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- ii) 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 Group's and the Company's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) 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 Group's and 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 Group and 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 Group and the Company to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.



YYC & CO PLT
FIRM NO.: LLP0020596-LCA & AF 0055
CHARTERED ACCOUNTANTS



SUN WAI CHENG
NO.: 03722/04/2025 J
CHARTERED ACCOUNTANT

Klang, Selangor Darul Ehsan

Dated: 21 August 2024

TRUMER INTERNATIONAL BERHAD(Incorporated in Malaysia)
and its subsidiaries**STATEMENTS OF FINANCIAL POSITION****As at 31 December 2023**

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Assets					
Non-current assets					
Property, plant and equipment	5	9,046,040	9,297,544	497,621	514,517
Investment in subsidiaries	6	-	-	1,509,548	1,786,248
Research and development expenditure	7	6,108	6,108	-	-
Right-of-use asset	8	-	-	-	-
Total non-current assets		9,052,148	9,303,652	2,007,169	2,300,765
Current assets					
Inventories	9	135,696	104,225	-	-
Trade receivables	10	13,210	8,972	-	-
Other receivables	11	4,807,312	5,487,923	12,600	12,600
Amount due from related parties	12	12,898,791	12,040,080	9,922,734	9,922,734
Amount due from subsidiaries	13	-	-	16,682,813	17,178,326
Current tax assets		62,738	-	-	-
Cash and bank balances	14	25,277	159,920	3,616	12,091
Total current assets		17,943,024	17,801,120	26,621,763	27,125,751
Total assets		26,995,172	27,104,772	28,628,932	29,426,516
Equity and liabilities					
Equity					
Share capital	15	8,000,002	8,000,002	8,000,002	8,000,002
4% cumulative irredeemable convertible preference shares	16	10,000,000	10,000,000	10,000,000	10,000,000
Accumulated losses		(27,670,048)	(27,030,125)	(16,216,790)	(15,867,970)
		(9,670,046)	(9,030,123)	1,783,212	2,132,032
Non-controlling interest		588,724	682,489	-	-
		(9,081,322)	(8,347,634)	1,783,212	2,132,032

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

STATEMENTS OF FINANCIAL POSITION

(continued)

As at 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Equity and liabilities (continued)					
Current liabilities					
Trade payables	17	31,756	35,397	-	-
Other payables	18	6,544,257	5,785,552	96,748	85,000
Amount due to directors	19	28,202,149	28,534,648	25,363,544	25,828,556
Amount due to related parties	12	1,298,332	1,085,163	-	-
Amount due to subsidiaries	13	-	-	1,385,428	1,380,928
Lease liabilities	8	-	7,185	-	-
Current tax liabilities		-	4,461	-	-
Total current liabilities		36,076,494	35,452,406	26,845,720	27,294,484
Total liabilities		36,076,494	35,452,406	26,845,720	27,294,484
Total equity and liabilities		26,995,172	27,104,772	28,628,932	29,426,516

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

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	20	552,034	1,025,960	-	-
Cost of sales		(22,928)	(20,922)	-	-
Gross profit		<u>529,106</u>	<u>1,005,038</u>	<u>-</u>	<u>-</u>
Other operating income		1,952	11,768	-	-
Staff costs	21	(201,922)	(204,341)	-	-
Administrative and other operating expenses		(1,016,454)	(2,763,874)	(348,820)	(2,510,728)
Loss from operation		<u>(687,318)</u>	<u>(1,951,409)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>
Finance cost		(15)	(935)	-	-
Loss before tax	22	<u>(687,333)</u>	<u>(1,952,344)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>
Taxation	23	(46,355)	(227,492)	-	-
Loss after taxation for the financial year		<u>(733,688)</u>	<u>(2,179,836)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive loss for the financial year		<u><u>(733,688)</u></u>	<u><u>(2,179,836)</u></u>	<u><u>(348,820)</u></u>	<u><u>(2,510,728)</u></u>
Loss attributable to:					
Owners of the parent		(639,923)	(2,096,269)	(348,820)	(2,510,728)
Non-controlling interest		(93,765)	(83,567)	-	-
		<u>(733,688)</u>	<u>(2,179,836)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>
Total comprehensive loss attributable to:					
Owners of the parent		(639,923)	(2,096,269)	(348,820)	(2,510,728)
Non-controlling interest		(93,765)	(83,567)	-	-
		<u>(733,688)</u>	<u>(2,179,836)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>

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

TRUMER INTERNATIONAL BERHAD

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STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

Group	Share capital RM	4% Cumulative irredeemable convertible preference shares RM	Accumulated losses RM	Total attributable to owners of the parent RM	Non- controlling interest RM	Total RM
As at 1 January 2022	8,000,002	10,000,000	(24,933,856)	(6,933,854)	766,056	(6,167,798)
Total comprehensive loss for the financial year	-	-	(2,096,269)	(2,096,269)	(83,567)	(2,179,836)
As at 31 December 2022	8,000,002	10,000,000	(27,030,125)	(9,030,123)	682,489	(8,347,634)
Total comprehensive loss for the financial year	-	-	(639,923)	(639,923)	(93,765)	(733,688)
As at 31 December 2023	8,000,002	10,000,000	(27,670,048)	(9,670,046)	588,724	(9,081,322)

Company	Share capital RM	4% Cumulative irredeemable convertible preference shares RM	Accumulated losses RM	Total RM
As at 1 January 2022	8,000,002	10,000,000	(13,357,242)	4,642,760
Total comprehensive loss for the financial year	-	-	(2,510,728)	(2,510,728)
As at 31 December 2022	8,000,002	10,000,000	(15,867,970)	2,132,032
Total comprehensive loss for the financial year	-	-	(348,820)	(348,820)
As at 31 December 2023	8,000,002	10,000,000	(16,216,790)	1,783,212

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

TRUMER INTERNATIONAL BERHAD(Incorporated in Malaysia)
and its subsidiaries**STATEMENTS OF CASH FLOWS****For the financial year ended 31 December 2023**

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(687,333)	(1,952,344)	(348,820)	(2,510,728)
Adjustments for:					
Bad debts written off		193,866	1,961,248	-	1,961,248
Depreciation of property, plant and equipment	5	251,504	284,367	16,896	20,437
Depreciation of right-of-use assets	8	-	38,420	-	-
Impairment loss on investment		-	-	276,700	485,033
Inventories written off		-	28,169	-	-
Gain on foreign exchange:					
- unrealised		(1,442)	(1,208)	-	-
Interest expenses		15	935	-	-
Interest income		(460)	(183)	-	-
Reversal of impairment loss on trade receivables		(50)	(10,377)	-	-
Operating (loss)/profit before changes in working capital		(243,900)	349,027	(55,224)	(44,010)
Changes in working capital					
Inventories		(31,471)	903	-	-
Receivables		(376,154)	(160,264)	495,513	130,510
Payables		635,734	(14,597)	(448,764)	(80,047)
Cash (used in)/ generated from operations		(15,791)	175,069	(8,475)	6,453
Interest paid		(15)	(935)	-	-
Interest received		460	183	-	-
Income tax paid		(113,554)	(218,766)	-	-
Net cash used in operating activities		(128,900)	(44,449)	(8,475)	6,453

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

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
and its subsidiaries

STATEMENTS OF CASH FLOWS

(continued)

For the financial year ended 31 December 2023

		Group		Company	
	Note	2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM FINANCING ACTIVITY					
Repayment of lease liabilities		(7,185)	(35,065)	-	-
Net cash used in financing activity		(7,185)	(35,065)	-	-
Net (decrease)/increase in cash and cash equivalents		(136,085)	(79,514)	(8,475)	6,453
Effect of exchange rate fluctuations on cash held		1,442	1,208	-	-
Cash and cash equivalents at beginning of the financial year		159,920	238,226	12,091	5,638
Cash and cash equivalents at end of the financial year		25,277	159,920	3,616	12,091

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

TRUMER INTERNATIONAL BERHAD

(Incorporated in Malaysia)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

1. Corporate information

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

The registered office of the Company is located at 2nd Floor, No. 17 & 19, Jalan Brunei Barat, Pudu, 55100 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place of business is located at No. 16, Jalan SS 19/1G, 47500 Subang Jaya, Selangor Darul Ehsan, Malaysia.

The principal activities of the Company are that of investment holding and the ownership of a barter trade exchange. The principal activities of the subsidiaries are stated in Note 6 to financial statements. There have been no significant changes in the nature of these activities during the financial year.

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

2. Basis of preparation

2.1 Basis of accounting

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 4 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

The Group and the Company incurred a net loss of RM733,688 and RM348,820 respectively during the financial year ended 31 December 2023 and as of that date, the Group's and the Company's current liabilities exceeded its current assets by RM18,133,740 and RM223,957 respectively. The ability of the Company to continue as a going concern is dependent upon future profitable operations, the ability to generate sufficient funds from operation and continued financial support from its Directors and shareholders.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

2. Basis of preparation (continued)

2.2 Adoption of amendments/improvements to MFRSs

The Group and the Company have adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

- MFRS 17: Insurance Contracts
- Amendments to MFRS 101: Presentation of Financial
- Amendments to MFRS 108: Accounting Policies, Changes
- Amendments to MFRS 112: Income Taxes

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and Company, and did not result in significant changes to the Group's and Company's existing accounting policies.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies.

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective:

Effective for annual periods beginning on or after 1 January 2024 with earlier application permitted

- Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)
- Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

2. Basis of preparation (continued)

2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (continued)

Effective for annual periods beginning on or after 1 January 2025 with earlier application permitted

- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates

Effective date yet to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS10: Consolidated Financial Statements and MFRS128: Investments in Associates and Joint Venture - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company have not applied these MFRSs and amendments in advance and is expected no material impact on the financial statements of the Company upon their initial application.

3. Material accounting policy information

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Company controls an investee if and only if the Company has all the following:

- i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ii) Exposure, or rights, to variable returns from its investment with the investee; and
- iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- ii) Potential voting rights held by the Company, other vote holders or other parties;
- iii) Rights arising from other contractual arrangements; and
- iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between the aggregate of the fair value of the consideration received and the fair value of any retained interest and the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

a) Business combination

Acquisitions of subsidiaries are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. The Group elects on a transaction-by-transaction basis whether to measure the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.1 Basis of consolidation (continued)

a) Business combination (continued)

Contingent consideration, resulted from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with change in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain/loss is recognised directly in equity.

b) Investment in subsidiaries

A subsidiary is an entity over which the Company has all the following:

- i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- ii) Exposure, or rights, to variable returns from its investment with the investee; and
- iii) The ability to use its power over the investee to affect its returns.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

(continued)

3. Material accounting policy information (continued)

3.2 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Assets-in-progress are not depreciated as these assets are not yet available for use. Freehold land is not depreciated. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Rate</u>
Computer and software	20%
Factory building	2%
Freehold land and building	2%
Furniture and fittings	10%
Laboratory equipment	10%
Leasehold land and building	2%
Motor vehicles	20%
Office equipment	10%
Plant and machinery	15%
Renovation	10%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

(continued)

3. Material accounting policy information (continued)

3.3 Impairment of non-financial assets

The Group and the Company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group and the Company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the profit or loss in expense categories consistent with the function of the impaired asset, except for a property previously revalued when the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding deferred tax assets and inventories, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group and the Company estimate the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.4 Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Company allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Company is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group and the Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.4 Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate. Generally, the Group and the Company uses their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; any incentives receivable;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group and the Company is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group and the Company is reasonably certain not to terminate early.

The Group and the Company excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.4 Leases (continued)

(ii) Recognition and initial measurement (continued)

(b) As a lessor

When the Group and the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Company applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group and the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group and the Company applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.4 Leases (continued)

(iii) Subsequent measurement (continued)

(b) As a lessor

The Group and the Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

3.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out ('FIFO') basis.

The cost of raw materials comprises direct costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

3.6 Financial instruments

a) Classification – financial assets

- i) those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- ii) those to be measured at amortised cost.

The Company reclassify debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition – financial assets

Regular way purchases and sales of financial assets are recognised on trade date, the date on which the Group and the Company commit to purchase or sell the asset.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.6 Financial instruments (continued)

a) Classification – financial assets (continued)

Recognition and derecognition – financial assets (continued)

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Embedded derivatives in financial asset host contracts: The Group and the Company apply the classification and measurement of financial assets to the entire hybrid instrument for financial assets with embedded derivatives.

Measurement – financial assets

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely for payment of principal and interest ("SPPI").

i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company classify its debt instruments under categories as per below.

- Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS
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(continued)

3. Material accounting policy information (continued)

3.6 Financial instruments (continued)

a) Classification – financial assets (continued)

Measurement – financial assets (continued)

i) Debt instruments (continued)

- FVTPL

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss in the period which it arises.

- FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss and impairment expenses are presented as separate line item in profit or loss.

ii) Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Company's management have elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in the statement of comprehensive income as applicable.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

(continued)

3. Material accounting policy information (continued)

3.6 Financial instruments (continued)

Derecognition

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 risks and rewards of ownership of the financial asset 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 the profit or loss.

b) Classification – financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method.

For financial liabilities measured at amortised cost, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

For financial liabilities measured at FVTPL, gains or losses arising from changes in fair value are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. 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 noncash assets transferred or liabilities assumed, is recognised in profit or loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.7 Impairment of financial assets

The Group and the Company recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit loss and contract assets. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade and other receivables and contract assets, the Group and the Company applies a simplified approach in calculating ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company has established a provision matrix that is based on its historical credit loss experience. The Group and the Company considers forward-looking factors do not have significant impact to its credit risk given the nature of its industry and the amount of ECLs is insensitive to changes to forecast economic conditions.

The Group and the Company considers a financial asset in default when contractual payments are past due as at month end. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on hand and deposits at call with a maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

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NOTES TO THE FINANCIAL STATEMENTS

(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.9 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue of expenses

Cost directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

Where treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(iv) Distribution of assets to owners of the Company

The Company measured a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustment to the amount of the distribution. On settlement of the transactions, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

3.10 Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised as a liability when they accrue to the employees. The estimated liability for paid annual leave is recognised for services rendered by employees up to the reporting date. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.10 Employee benefits (continued)

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group and the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the fund do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

The Group and the Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Company make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When it is probable that costs will exceed total contract revenue, a provision for onerous contract is recognised.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

3.12 Revenue

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product to customer. An asset is transferred when (or as) the customer obtains control of the asset.

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(continued)

3. Material accounting policy information (continued)

3.12 Revenue (continued)

The Group or the Company transfers control of a good at a point in time unless one of the following over time criteria is met:

- i) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- ii) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- iii) the Group's or the Company's performance does not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

(a) Sale of goods and services

Revenue from sale of products and services rendered is recognised at a point in time when the products have been transferred or the services have been rendered to the customers and coincide with the delivery of products and services and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of products and services rendered.

There is no significant financing component in the revenue arising from sale of products and services rendered as the sales or services are made on the normal credit terms not exceeding twelve months.

(b) Interest income

Interest income are recognised as income on accrual basis using the effective interest method.

3.13 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

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(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.13 Income tax (continued)

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised investment tax allowance, being a tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3.14 Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the inputs used in the valuation technique as follows:

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(continued)

For the financial year ended 31 December 2023

3. Material accounting policy information (continued)

3.14 Fair value measurement (continued)

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. Significant accounting estimates and judgement

4.1 Critical judgements in applying the accounting policies

There were no significant judgements made in applying the accounting policies of the Group and the Company which may have significant effects on the amounts recognised in the financial statements.

4.2 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, other than those disclosed in the Notes, are as follows:

i) Provisions for expected credit losses ("ECLs") of trade receivables

The Company uses the simplified approach to estimate a lifetime expected credit losses for all trade and other receivables and contract assets. The Company develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information.

To determine whether there is a significant increase in credit risks, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtors and default or significant delay in payments. Where there is a significant increase in credit risk, the Company determines the lifetime expected credit losses by considering the loss given default and the probability of default assigned to each counterparty customer. The financial assets are written off either partially or in full when there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write-offs.

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For the financial year ended 31 December 2023

4. Significant accounting estimates and judgement (continued)

4.2 Key sources of estimation uncertainty (continued)

i) Provisions for expected credit losses ("ECLs") of trade receivables (continued)

In assessing credit risks for purposes of applying the ECL model, the Company considers the need to incorporate forward-looking factors and to estimate the probability of default, which are likely to be judgemental and subject to estimation uncertainties.

ii) 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 economics 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.

iii) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the taxation and deferred taxation in the period in which the outcome is known.

5. Property, plant and equipment

Group

	As at 1 January 2023 RM	Additions RM	Disposals RM	As at 31 December 2023 RM
<u>Cost</u>				
Computer and software	717,761	-	-	717,761
Freehold land and building	686,100	-	-	686,100
Furniture and fittings	81,006	-	-	81,006
Laboratory equipment	470,356	-	-	470,356
Leasehold land and building	10,129,320	-	-	10,129,320
Motor vehicles	220,000	-	-	220,000
Office equipment	248,511	-	-	248,511
Renovation	172,107	-	-	172,107
	<u>12,725,161</u>	<u>-</u>	<u>-</u>	<u>12,725,161</u>

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(continued)

For the financial year ended 31 December 2023**5. Property, plant and equipment (continued)**

	As at 1 January 2023 RM	Charge for the financial year RM	Disposals RM	As at 31 December 2023 RM
<u>Accumulated depreciation</u>				
Computer and software	714,836	742	-	715,578
Freehold land and building	178,386	13,722	-	192,108
Furniture and fittings	71,110	4,116	-	75,226
Laboratory equipment	414,325	20,090	-	434,415
Leasehold land and building	1,434,812	202,586	-	1,637,398
Motor vehicles	219,999	-	-	219,999
Office equipment	239,151	3,620	-	242,771
Renovation	154,998	6,628	-	161,626
	<u>3,427,617</u>	<u>251,504</u>	<u>-</u>	<u>3,679,121</u>
	Carrying Amount 2023 RM	2022 RM	Depreciation 2023 RM	2022 RM
Computer and software	2,183	2,925	742	4,351
Freehold land and building	493,992	507,714	13,722	13,722
Furniture and fittings	5,780	9,896	4,116	4,349
Laboratory equipment	35,941	56,031	20,090	36,754
Leasehold land and building	8,491,922	8,694,508	202,586	202,586
Motor vehicles	1	1	-	-
Office equipment	5,740	9,360	3,620	15,757
Renovation	10,481	17,109	6,628	6,848
	<u>9,046,040</u>	<u>9,297,544</u>	<u>251,504</u>	<u>284,367</u>

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(continued)

For the financial year ended 31 December 2023**5. Property, plant and equipment (continued)****Company**

	As at 1 January 2023 RM	Additions RM	Disposals RM	As at 31 December 2023 RM
<u>Cost</u>				
Computer and software	647,097	-	-	647,097
Freehold land and building	686,100	-	-	686,100
Furniture and fittings	19,500	-	-	19,500
Office equipment	5,319	-	-	5,319
Renovation	104,201	-	-	104,201
	<u>1,462,217</u>	<u>-</u>	<u>-</u>	<u>1,462,217</u>
	As at 1 January 2023 RM	Charge for the financial year RM	Disposals RM	As at 31 December 2023 RM
<u>Accumulated depreciation</u>				
Computer and software	647,091	-	-	647,091
Freehold land and building	178,386	13,722	-	192,108
Furniture and fittings	14,300	1,950	-	16,250
Office equipment	4,668	307	-	4,975
Renovation	103,255	917	-	104,172
	<u>947,700</u>	<u>16,896</u>	<u>-</u>	<u>964,596</u>
	Carrying Amount 2023 RM	2022 RM	Depreciation 2023 RM	2022 RM
Computer and software	6	6	-	3,357
Freehold land and building	493,992	507,714	13,722	13,722
Furniture and fittings	3,250	5,200	1,950	1,950
Office equipment	344	651	307	487
Renovation	29	946	917	921
	<u>497,621</u>	<u>514,517</u>	<u>16,896</u>	<u>20,437</u>

TRUMER INTERNATIONAL BERHAD(Incorporated in Malaysia)
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(continued)

For the financial year ended 31 December 2023**6. Investment in subsidiaries****Company**

	2023 RM	2022 RM
Unquoted shares, at cost	10,299,994	10,299,994
Less: Impairment loss on investment	<u>(8,790,446)</u>	<u>(8,513,746)</u>
	<u>1,509,548</u>	<u>1,786,248</u>

The subsidiaries, which are incorporated in Malaysia, are as follows:

<u>Name of subsidiaries</u>	<u>Effective Interest</u>		<u>Principal Activities</u>
	2023	2022	
Trumer Holdings Sdn. Bhd.	100%	100%	Dormant
Trumer Holistic & Rehabilitation Centre Sdn. Bhd.	100%	100%	Providing holistic, recreational and regenerative therapy and services of a rehabilitation centre.
Trumer Trading Sdn. Bhd.	100%	100%	Manage a reciprocal online trade exchange business under a trading programme owned by its holding company.
Trumer Shoppe Sdn. Bhd.	61%	61%	Commenced development of various software for the provision of database security management and system, payment card system, e-commerce other ICT related services.
Trumer Capital Consultancy Sdn. Bhd.	100%	100%	Property investment holding
Trumer Diagnostics Centre Sdn. Bhd.	100%	100%	Dormant
Trumer Nutrition Sdn. Bhd.	100%	100%	Wholesaler or retailer of all kinds of nutritional supplies.

7. Research and development expenditure

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Research and development expenditure	<u>6,108</u>	<u>6,108</u>	<u>-</u>	<u>-</u>

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8. Right-of-use asset and lease liabilities

Group

8.1 Right-of-use asset

	As at 1 January 2023 RM	Additional RM	Derecognition RM	As at 31 December 2023 RM	
Cost					
Building unit	192,101	-	(192,101)	-	
	As at 1 January 2023 RM	Charge during financial year RM	Derecognition RM	As at 31 December 2023 RM	
Accumulated depreciation					
Building unit	192,101	-	(192,101)	-	
			2023 RM	2022 RM	
Carrying amount					
Building unit			-	-	
Lease liabilities			2023 RM	2022 RM	
Current liability					
Lease liabilities			-	7,185	
	As at 1 January 2023 RM	Lease payment RM	Interest expenses RM	Derecognition RM	As at 31 December 2023 RM
Building unit	7,185	(7,200)	15	-	-

TRUMER INTERNATIONAL BERHAD(Incorporated in Malaysia)
and its subsidiaries**NOTES TO THE FINANCIAL STATEMENTS**

(continued)

For the financial year ended 31 December 2023

8. Right-of-use asset and lease liabilities (continued)**Group****8.2 Lease liabilities (continued)**

	2023 RM	2022 RM
Minimum lease liability payments		
Not later than 1 year	-	7,200
Future finance charges	-	(15)
Present value of lease liability	<u>-</u>	<u>7,185</u>
Present value of lease liability is analysed as follows:		
Not later than 1 year	-	7,185
	<u>-</u>	<u>7,185</u>

The Group leases several lease contracts that include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The Group obtains lease liability facility to finance the right of use assets. Effective interest rate of the lease liability of 4.88% were fixed at the date of the agreements, and the amount of lease liability payments are fixed throughout the lease period.

9. Inventories

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Finished goods - at cost	<u>135,696</u>	<u>104,225</u>	<u>-</u>	<u>-</u>
Inventories recognised as an expense	<u>22,704</u>	<u>12,764</u>	<u>-</u>	<u>-</u>

10. Trade receivables

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	13,350	9,162	-	-
Less: Impairment loss on trade receivables	<u>(140)</u>	<u>(190)</u>	<u>-</u>	<u>-</u>
	<u>13,210</u>	<u>8,972</u>	<u>-</u>	<u>-</u>

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For the financial year ended 31 December 2023

10. Trade receivables (continued)

Trade receivables are non-interest bearing and normal trade credit terms granted to the customers ranges from 30 to 60 days (2022: 30 to 60 days).

The Group maintains an ageing analysis in respect of trade receivables only. The ageing analysis of the Group's trade receivables are as follows:

	Group	
	2023 RM	2022 RM
Neither past due nor impaired	13	67
Past due but nor impaired		
1 - 30 days past due not impaired	1,171	83
31 - 60 days past due not impaired	-	-
61 - 90 days past due not impaired	-	-
90 - 120 days past due not impaired	-	-
More than 121 days past due not impaired	12,026	8,822
	13,210	8,972
Impaired	140	190
	<u>13,350</u>	<u>9,162</u>

Trade receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of the trade receivables are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 January	190	31,470	-	-
Charge for the financial year	-	-	-	-
Bad debts written off	-	(20,903)	-	-
Reversal for the financial year	(50)	(10,377)	-	-
At 31 December	<u>140</u>	<u>190</u>	<u>-</u>	<u>-</u>

Trade receivables that are individually determined to credit impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

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11. Other receivables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other receivables	3,764,843	4,445,630	-	-
Deposits	1,042,469	1,042,293	12,600	12,600
	<u>4,807,312</u>	<u>5,487,923</u>	<u>12,600</u>	<u>12,600</u>

12. Amount due from/(to) related parties

The amount due from/(to) related parties of the Group and the Company is non-trade in nature, unsecured, interest-free and repayable on demand.

13. Amount due from/(to) subsidiaries

The amount due from/(to) subsidiaries is unsecured, interest-free and repayable on demand.

14. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash in hand	4,732	4,732	2	2
Cash at bank	20,545	155,188	3,614	12,089
	<u>25,277</u>	<u>159,920</u>	<u>3,616</u>	<u>12,091</u>

15. Share capital

	Number of shares			
	2023	2022	2023	2022
	Units	Units	RM	RM
Group and Company				
Issued and fully paid	<u>80,000,020</u>	<u>80,000,020</u>	<u>8,000,002</u>	<u>8,000,002</u>

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

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16. 4% Cumulative irredeemable convertible preference shares ("ICPS")

	2023	2022
	RM	RM
Group and Company		
Issued and paid 4% cumulative irredeemable convertible preference shares of RM1.00 each	<u>10,000,000</u>	<u>10,000,000</u>

The salient features of the ICPS are as follows:-

a) Dividend rated

Annual cumulative dividend rate of 4% per annum calculated based on the nominal value of RM1.00 per ICPS;

b) Dividend date

Dividends on the ICPS shall be due on each anniversary date of issue;

c) Tenure

Minimum Five (5) years and maximum fifteen (15) commencing from and inclusive of the date of issue;

d) Maturity date

The Business Day immediately after the fifth (5th) anniversary of the date of issue;

e) Conversion price

The Conversion Price shall be satisfied by surrendering one (1) ICPS for 10 new ordinary shares of RM0.10 in the Company.

f) Conversion period

10% of the ICPS shall be converted into the new ordinary shares in the Company each year after Maturity Date at the Conversion Price;

g) Ranking of new shares after conversion

The new ordinary shares to be issued upon conversion of the ICPS shall upon allotment and issue, rank pari passu in all respect with the existing ordinary shares of the Company except that such new shares shall not be entitled to any dividends, rights, allotments and/or other distribution that may be declared, the entitlement date of which is prior to the date of allotment of the said shares;

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16. 4% Cumulative irredeemable convertible preference shares ("ICPS") (continued)

h) Calls on shares

Calls on the allotted and issued ICPS shall be in parts. The directors are authorised to make calls upon the members in respect of money unpaid on their ICPS as and when the directors deem fit. The Call on the ICPS must be completed within a period of five (5) years;

i) Forfeiture of shares

The provisions in the Articles of Association of the Company shall apply.

17. Trade payables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Trade payables	31,756	35,397	-	-

The normal trade credit terms granted to the Group ranges from 30 to 90 days (2022: 30 to 90 days).

18. Other payables

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Other payables	5,665,995	5,395,620	86,348	75,000
Deposits received	760,000	300,000	-	-
Accruals	118,262	89,932	10,400	10,000
	<u>6,544,257</u>	<u>5,785,552</u>	<u>96,748</u>	<u>85,000</u>

19. Amount due to directors

The amount due to directors of the Group and the Company is unsecured, interest-free and repayable on demand.

20. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Sales of goods	28,808	17,960	-	-
Rental income	523,226	1,008,000	-	-
	<u>552,034</u>	<u>1,025,960</u>	<u>-</u>	<u>-</u>

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For the financial year ended 31 December 2023**21. Staff costs**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors' fee	21,000	24,000	-	-
EIS contributions	109	99	-	-
EPF contributions	17,296	12,456	-	-
Salaries	136,320	150,234	-	-
Socso contributions	1,962	1,877	-	-
Wages	25,235	15,675	-	-
	<u>201,922</u>	<u>204,341</u>	<u>-</u>	<u>-</u>

22. Loss before tax

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax is stated after charging/(crediting):				
Auditors' remuneration				
- current year	21,000	21,000	9,000	9,000
Auditors' remuneration				
- over provision in prior financial year	(250)	(1,050)	-	-
Bad debts written off	193,866	1,961,248	-	1,961,248
Credit card terminal rental	-	(175)	-	-
Depreciation of property, plant and equipment	251,504	284,367	16,896	20,437
Depreciation of right-of-use assets	-	38,420	-	-
Directors' fee	21,000	24,000	-	-
Gain on foreign exchange:				
- unrealised	(1,442)	(1,208)	-	-
Impairment loss on investment	-	-	276,700	485,033
Inventories written off	-	28,169	-	-
Interest expenses	15	935	-	-
Interest income	(460)	(183)	-	-
Rental of server	34,646	34,646	-	-
Reversal of impairment loss on trade receivables	(50)	(10,377)	-	-

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For the financial year ended 31 December 2023

23. Taxation

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Current tax expense				
Malaysian taxation based on profit for the financial year	74,775	227,974	-	-
Overprovision of taxation in prior financial year	(28,420)	(482)	-	-
	<u>46,355</u>	<u>227,492</u>	<u>-</u>	<u>-</u>

The taxation is reconciled to the accounting loss at the applicable tax rate as follows:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Loss before tax	<u>(687,333)</u>	<u>(1,952,344)</u>	<u>(348,820)</u>	<u>(2,510,728)</u>
Taxation at Malaysian tax rate of 24%	(164,960)	(468,563)	(83,717)	(602,575)
Non-deductible expenses	239,735	696,537	83,717	602,575
Overprovision of taxation in prior financial year	(28,420)	(482)	-	-
Total income tax expense	<u>46,355</u>	<u>227,492</u>	<u>-</u>	<u>-</u>

24. Key management personnel compensation

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Directors' fee	<u>21,000</u>	<u>24,000</u>	<u>-</u>	<u>-</u>

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company whether directly or indirectly. The key management personnel of the Group and the Company comprise Directors of the Group and the Company. Details on the compensation for these key management personnel are disclosed as above.

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25. Related party disclosures

25.1 Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties could be individuals or other parties.

The Company has controlling related party relationship with its direct subsidiary.

In addition to the transaction and balance detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related party during the financial year:

(a) Significant related party transactions

	Company	
	2023	2022
	RM	RM
Advances from directors	106,988	4,500
Advances from subsidiaries	4,500	10,170
Advances to subsidiaries	<u>503,402</u>	<u>1,284</u>

26. Financial instruments

26.1 Capital risk management

The primary objective of the capital management of the Group and the Company is to ensure that the Group and the Company would be able to continue as a going concern and to maintain an optimal capital structure so as to maximise the value of shareholder.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the financial year.

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For the financial year ended 31 December 2023**26. Financial instruments (continued)****26.2 Classification of financial instruments**

The following table analyses the financial assets and financial liabilities of the Group and the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
<u>Financial assets</u>				
<i>Financial assets measured at amortised cost:</i>				
Trade receivables	13,210	8,972	-	-
Other receivables	3,764,843	4,445,630	-	-
Amount due from related parties	12,898,791	12,040,080	9,922,734	9,922,734
Amount due from subsidiaries	-	-	16,682,813	17,178,326
Cash and bank balances	25,277	159,920	3,616	12,091
	<u>16,702,121</u>	<u>16,654,602</u>	<u>26,609,163</u>	<u>27,113,151</u>
<u>Financial liabilities</u>				
<i>Financial liabilities measured at amortised cost:</i>				
Trade payables	31,756	35,397	-	-
Other payables	5,665,995	5,395,620	86,348	75,000
Amount due to directors	28,202,149	28,534,648	25,363,544	25,828,556
Amount due to related parties	1,298,332	1,085,163	-	-
Amount due to subsidiaries	-	-	1,385,428	1,380,928
	<u>35,198,232</u>	<u>35,050,828</u>	<u>26,835,320</u>	<u>27,284,484</u>

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26. Financial instruments (continued)

26.3 Method and assumptions used to estimate fair values

The fair values of financial assets and financial liabilities are determined as follows:

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values.

The carrying amounts of financial assets and financial liabilities, are reasonable approximation of fair values due to their short-term nature and insignificant impact of discounting.

27. Financial risk management policies

Exposure to interest rate risk, liquidity and cash flow risk and foreign currency risk arises in the normal course of the businesses of the Group and the Company. The overall financial risk management objective of the Group and the Company is to minimise potential adverse effects on the financial performance of the Group and the Company.

The overall business strategies of the Group and the Company, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. Financial risk management is carried out through risk review, internal control systems and adherence to the financial risk management policies of the Group and the Company. The Group and the Company does not have financial instruments for trading purposes.

The main areas of financial risks faced by the Company and the policy for managing each of these risks are set out as follows:

27.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and the Company does not use derivative financial instruments to hedge its risk.

No sensitivity analysis has been presented as a reasonably possible change in interest rates at the end of the reporting period would not have any significant effect on profit or loss or equity.

27.2 Credit risk

The Group and the Company do not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instruments. Cash and bank balances are placed with reputable banks which carry sound ratings.

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27. Financial risk management policies (continued)

27.2 Credit risk (continued)

Impairment policies for trade receivables

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

The Group and the Company use an allowance matrix to measure the expected credit loss of trade receivables from individual customers. Expected loss rates are calculated using the roll rate method separately for exposures in different segments based on the following common credit risk characteristics - geographic region, age of customer relationship and type of product purchased.

The expected loss rates are based on the Group's and the Company's historical credit losses experienced over the three year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers. The Company has identified the gross domestic product (GDP), unemployment rate and inflation rate as the key macroeconomic factors.

For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

27.3 Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The maturity profile of the Group's and the of Company's financial liabilities based on undiscounted contractual repayment at the reporting date are as follows:

Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2-5 Years RM
2023				
Trade payables	31,756	31,756	31,756	-
Other payables	5,665,995	5,665,995	5,665,995	-
Amount due to directors	28,202,149	28,202,149	28,202,149	-
Amount due to related related parties	1,298,332	1,298,332	1,298,332	-
	<u>35,198,232</u>	<u>35,198,232</u>	<u>35,198,232</u>	<u>-</u>

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27. Financial risk management policies (continued)

27.3 Liquidity and cash flow risk (continued)

	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2-5 Years RM
2022				
Trade payables	35,397	35,397	35,397	-
Other payables	5,395,620	5,395,620	5,395,620	-
Amount due to directors	28,534,648	28,534,648	28,534,648	-
Amount due to related parties	1,085,163	1,085,163	1,085,163	-
Lease liabilities	7,185	7,185	7,185	-
	<u>35,058,013</u>	<u>35,058,013</u>	<u>35,058,013</u>	<u>-</u>
Company				
	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	2-5 Years RM
2023				
Other payables	86,348	86,348	86,348	-
Amount due to directors	25,363,544	25,363,544	25,363,544	-
Amount due to subsidiaries	1,385,428	1,385,428	1,385,428	-
	<u>26,835,320</u>	<u>26,835,320</u>	<u>26,835,320</u>	<u>-</u>
2022				
Other payables	75,000	75,000	75,000	-
Amount due to directors	25,828,556	25,828,556	25,828,556	-
Amount due to subsidiaries	1,380,928	1,380,928	1,380,928	-
	<u>27,284,484</u>	<u>27,284,484</u>	<u>27,284,484</u>	<u>-</u>

28. Authorisation for issue of the financial statements

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 21 August 2024.