8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.6 Financial instruments (continued)

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to Oh Media.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to Oh Media.

Financial instruments are recognised on the statement of financial position when Oh Media has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

Oh Media determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.6 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Financial assets measured at fair value (continued)

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when Oh Media's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by Oh Media in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, Oh Media become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.6 Financial instruments (continued)

(b) Financial liabilities (continued)

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by Oh Media that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for Oh Media's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

8.5.7 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.8 Equity

An equity instrument is any contract that evidences a residual interest in the assets of Oh Media after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

8.5.9 Impairment of financial assets

Oh Media recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. Oh Media applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Oh Media expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Oh Media considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of Oh Media's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contact assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, Oh Media assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.9 Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

8.5.10 Borrowings costs

All other borrowing costs is recognised in profit or loss in the period in which they are incurred.

8.5.11 Income taxes

Income taxes include all domestic taxes, if any, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which Oh Media operates and include all taxes based upon the taxable profits (including withholding taxes payable by Oh Media on distribution of retained earnings to Oh Media), and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.11 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.

8.5.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where Oh Media expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If Oh Media has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

8.5.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Oh Media or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Oh Media does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Oh Media. Oh Media does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to Oh Media.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving Oh Media.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Oh Media makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

8.5.15 Revenue recognition

Oh Media recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of consideration to which Oh Media expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, Oh Media allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which Oh Media expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) Oh Media satisfies a performance obligation.

Oh Media satisfies a performance obligation and recognise revenue over time if Oh Media's performance:

(a) Does not create an asset with an alternative use to Oh Media and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as Oh Media performs.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.15 Revenue recognition (continued)

When Oh Media satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

Projects

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

Oh Media determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, Oh Media estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that Oh Media would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of Oh Media does not create an asset with an alternative use to Oh Media and Oh Media has an enforceable right to payment for performance completed to date.

Oh Media recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by Oh Media. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

Oh Media identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. Oh Media also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, Oh Media considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

8.5.16 Fair value measurements

The fair value of an asset or a liability except for 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 fair value 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.

Oh Media measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. Oh Media has considered the following characteristics when determining its fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

8.5.17 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of Oh Media in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of Oh Media to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when Oh Media issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 8.5.9 of this Report for impairment approach of contract assets.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

8.6.1 New MFRSs adopted during the financial years

Oh Media adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to *MFRS 3 Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - *Phase 2* (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 Leases)	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of Oh Media.

8.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contract*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimate*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

Oh Media is still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

8.7.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the FYE 31 December 2021, Oh Media revised the estimates of useful life of plant and equipment as disclosed in Note 8.5.3 to the financial statements.

The Directors are of the opinion that there are no other significant changes in estimates at the end of the reporting period.

8.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of Oh Media that have a significant effect on the amounts recognised in the financial statements.

8.7.3 Key sources of estimation uncertainty

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

(a) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Determination of the lease term for leases

Oh Media determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if Oh Media are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for Oh Media to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of Oh Media.

(c) Impairment of trade receivables and financial assets

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. Oh Media adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting years.

(d) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Oh Media recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.7.3 Key sources of estimation uncertainty (continued)

(e) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Oh Media measures financial instruments at fair value as disclosed in Note 8.8.10 of this Report.

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA

8.8.1 PLANT AND EQUIPMENT

2020	Balance as at 1.1.2020 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount					
Fixture and fittings	280	290	(550)	(20)	-
Furniture	768	-	(720)	(48)	-
Office equipment	2,374	-	(862)	(239)	1,273
Computer, games and peripherals	15,777	-	(6,000)	(7,518)	2,259
Renovation	15,738	-	(14,864)	(874)	-
	34,937	290	(22,996)	(8,699)	3,532

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	1,818	(545)	1,273
Computer, games and peripherals	11,296	(9,037)	2,259
	13,114	(9,582)	3,532

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.1 PLANT AND EQUIPMENT (continued)

2021	Balance as at 1.1.2021 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount			
Office equipment	1,273	(546)	727
Computer, games and peripherals	2,259	(2,259)	-
	3,532	(2,805)	727

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	1,818	(1,091)	727
Computer, games and peripherals	11,296	(11,296)	-
	13,114	(12,387)	727

2022	Balance as at 1.1.2022 RM	Addition RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount				
Office equipment	727	-	(316)	411
Computer, games and peripherals	-	2,666	(75)	2,591
	727	2,666	391	3,002

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Office equipment	1,818	(1,407)	411
Computer, games and peripherals	13,962	(11,371)	2,591
	15,780	(12,778)	3,002

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.2 LEASES

Oh Media as lessee

Right-of-use asset

2020	**Balance as at 1.1.2020 RM**	**Addition RM**	**Depreciation RM**	**Balance as at 31.12.2020 RM**
Carrying amount				
Premises	6,636	32,712	(13,178)	26,170
	6,636	32,712	(13,178)	26,170

2021	**Balance as at 1.1.2021 RM**	**Addition RM**	**Depreciation RM**	**Balance as at 31.12.2021 RM**
Carrying amount				
Premises	26,170	26,345	(26,170)	26,345
	26,170	26,345	(26,170)	26,345

2022	**Balance as at 1.1.2022 RM**	**Re-measurement RM**	**Addition RM**	**Depreciation RM**	**Balance as at 31.12.2022 RM**
Carrying amount					
Premises	26,345	3,160	50,338	(29,505)	50,338
	26,345	3,160	50,338	(29,505)	50,338

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.2 LEASES (continued)

Oh Media as lessee (continued)

<u>**Lease liability**</u>

2020	Balance as at 1.1.2020 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount					
Premises	6,907	32,712	(13,750)	476	26,345
	6,907	32,712	(13,750)	476	26,345

2021	Balance as at 1.1.2021 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount					
Premises	26,345	26,345	(27,000)	655	26,345
	26,345	26,345	(27,000)	655	26,345

2022	Balance as at 1.1.2022 RM	Re-measurement RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
Carrying amount						
Premises	26,345	3,160	50,338	(30,239)	734	50,338
	26,345	3,160	50,338	(30,239)	734	50,338

Represented by:	2020 RM	2021 RM	2022 RM
Current liability	26,345	26,345	50,338
Lease liability owing to non-financial institution	26,345	26,345	50,338

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8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.2 LEASES (continued)

(a) Oh Media has certain premises with lease term of twelve (12) months or less. Oh Media applies the "short-term lease" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	2020 RM	2021 RM	2022 RM
Depreciation charge of right-of-use asset (included in administration expenses)	13,178	26,170	29,505
Interest expense on lease liability (included in finance costs)	476	655	734
Expense relating to short-term leases (included in administrative expenses)	2,000	-	-
	15,654	26,825	30,239

(c) The following are total cash outflows for leases as a lessee:

	2020 RM	2021 RM	2022 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	2,000	-	-
Included in net cash from financing activities:			
Payment of lease liabilities	13,750	27,000	30,239
	15,750	27,000	30,239

(d) The weighted average interest rates of lease liabilities of Oh Media during the financial year were 6.47% (31.12.2021: 5.40%; 31.12.2020: 5.40%).

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 8.8.11 of this Report.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.3 TRADE AND OTHER RECEIVABLES

	2020 RM	2021 RM	2022 RM
Trade receivables			
Amount owing by immediate holding company	525,359	1,124,968	2,154,116
Less: Impairment losses	(8,619)	(16,935)	(70,248)
	516,740	1,108,033	2,083,868
Other receivables			
Third parties	-	224	3,500
Amount owing by immediate holding company	14,235	-	-
Deposits	3,850	3,850	-
	18,085	4,074	3,500
Total trade and other receivables, net of prepayments	534,825	1,112,107	2,087,368
Prepayments	4,646	9,740	14,069
	539,471	1,121,847	2,101,437

(a) Trade and other receivables are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Oh Media range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) Non trade amount owing by immediate holding company are non-trade in nature, unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.

(d) Trade and other receivables balances are denominated in Ringgit Malaysia ("RM").

(e) The ageing analysis of trade receivables of Oh Media is as follows:

	Gross carrying amount RM	Total allowance RM	Balance RM
2020			
Current	132,885	(2,180)	130,705
Past due			
1 to 30 days	86,144	(1,413)	84,731
31 to 60 days	81,663	(1,340)	80,323
61 to 90 days	67,429	(1,106)	66,323
More than 91 days	157,238	(2,580)	154,658
	392,474	(6,439)	386,035
	525,359	(8,619)	516,740

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.3 TRADE AND OTHER RECEIVABLES (continued)

(e) The ageing analysis of trade receivables of Oh Media is as follows: (continued)

	Gross carrying amount RM	Total allowance RM	Balance RM
2021			
Current	192,714	(2,901)	189,813
Past due			
1 to 30 days	151,443	(2,280)	149,163
31 to 60 days	130,972	(1,972)	129,000
61 to 90 days	111,737	(1,682)	110,055
More than 91 days	538,102	(8,100)	530,002
	932,254	(14,034)	918,220
	1,124,968	(16,935)	1,108,033
2022			
Current	282,903	(9,226)	273,677
Past due			
1 to 30 days	104,112	(3,395)	100,717
31 to 60 days	183,665	(5,989)	177,676
61 to 90 days	139,298	(4,543)	134,755
More than 91 days	1,444,138	(47,095)	1,397,043
	1,871,213	(61,022)	1,810,191
	2,154,116	(70,248)	2,083,868

(f) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of Oh Media are summarised in the table below:

	2020 RM	2021 RM	2022 RM
Maximum exposure	516,740	1,108,033	2,083,868
Collateral obtained	-	-	-
Net exposure to credit risk	516,740	1,108,033	2,083,868

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.3 TRADE AND OTHER RECEIVABLES (continued)

(g) Movements in the impairment allowance for trade amount owing by immediate holding company is as follow:

	Lifetime ECL Not Credit Impaired		
	2020 RM	**2021 RM**	**2022 RM**
At 1 January	-	8,619	16,935
Charge for the financial year	8,619	16,935	70,248
Reversal of impairment loss		(8,619)	(16,935)
At 31 December	8,619	16,935	70,248

(h) No expected credit loss is recognised arising from other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Note 8.8.11 of this Report.

8.8.4 CONTRACT ASSETS/(LIABILITIES)

	2020 RM	**2021 RM**	**2022 RM**
Contract assets relating to contracts with customers	41,069	59,278	296,348
Less: Impairment losses	(427)	(214)	(1,061)
	40,642	59,064	295,287
Contract liabilities			
- Deferred income	(28,500)	-	-

(a) The contract assets primarily relate to Oh Media's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.

(b) The contract liabilities are stated at cost and represents the obligation of Oh Media to transfer goods or services to customers for which consideration has been received from the customers.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.4 CONTRACT ASSETS/(LIABILITIES) (continued)

(c) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

	Current
2020	
Expected loss rate	1.04%
Gross carrying amount (RM)	41,069
Impairment (RM)	427
2021	
Expected loss rate	0.36%
Gross carrying amount (RM)	59,278
Impairment (RM)	214
2022	
Expected loss rate	0.36%
Gross carrying amount (RM)	296,348
Impairment (RM)	1,061

(d) Movements in the impairment allowance for contract assets are as follows:

	2020 RM	**2021 RM**	**2022 RM**
As at 1 January	-	427	214
Charge for the financial year	427	214	1,061
Reversal of impairment loss	-	(427)	(214)
As at 31 December	427	214	1,061

(e) Information on financial risks of contract assets is disclosed in Note 8.8.11 of this Report.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.5 CASH AND BANK BALANCES

	2020 RM	2021 RM	2022 RM
Cash and bank balances	60,427	122,194	80,404

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

(c) No expected credit losses are recognised arising from the deposits with financial institution because the probability of default by this financial institutions is negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 8.8.11 of this Report.

8.8.6 SHARE CAPITAL

	2020	2021	2022
Number of ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,300	2,300	2,300

	2020 RM	2021 RM	2022 RM
Ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,300	2,300	2,300

The owners are entitled to receive dividends as and when declared by Oh Media and is entitled to one (1) vote per ordinary share at meetings of Oh Media. All ordinary shares rank pari passu with regard to the residual assets of Oh Media.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.7 DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities are made up of the following:

	2020 RM	2021 RM	2022 RM
Balance as at 1 January	-	806	-
Recognised in profit or loss (Note 8.9.4)	806	(806)	1,286
Balance as at 31 December	806	-	1,286
Presented after appropriate offsetting as follows:			
Deferred tax assets	(42)	-	-
Deferred tax liabilities	848	-	1,286
	806	-	1,286

(b) Components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Plant and equipment RM	Others RM	Total RM
At 1 January 2020	-	-	-
Recognised in profit or loss	848	(42)	806
At 31 December 2020	848	(42)	806
At 1 January 2021	848	(42)	806
Recognised in profit or loss	(848)	42	(806)
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Recognised in profit or loss	531	755	1,286
At 31 December 2022	531	755	1,286

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8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.7 DEFERRED TAX LIABILITIES (continued)

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	2020 RM	2021 RM	2022 RM
Other temporary differences	3,862	23,152	-
	3,862	23,152	-

Deferred tax assets of Oh Media have not been recognised in respect of these items as they are not probable that future taxable profits of Oh Media would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

8.8.8 OTHER PAYABLES AND ACCRUALS

	2020 RM	2021 RM	2022 RM
Other payables			
Third parties	11,032	1,512	10,981
Amount owing to immediate holding company	-	5,457	21,482
Amount owing to related company	-	621	17,089
Accruals	43,682	111,070	94,397
	54,714	118,660	143,949

(a) Other payables and accruals are classified as financial liabilities measured at amortised cost.

(b) Other payables and accruals are denominated in Ringgit Malaysia ("RM")

(c) Non-trade amount owing to a immediate holding and related company represents payments made on behalf which are unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.

(d) The maturity profile of other payables and accruals of Oh Media at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

(e) Information on financial risks of other payables and accruals is disclosed in Note 8.8.11 of this Report.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.9 RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to Oh Media if Oh Media 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 Oh Media and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of Oh Media includes:

(i) iMedia Asia Sdn. Bhd., the immediate holding company;

(ii) Catcha Group Pte. Ltd., the ultimate holding company;

(iii) Catcha Digital Berhad, the penultimate holding company;

(iv) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;

(v) Key management personnel which comprises persons (including the Directors of the Oh Media) having authority and responsibility for planning, directing and controlling the activities of Oh Media directly or indirectly; and

(vi) Companies in which the directors and also the substantial shareholders of the ultimate holding company have controlling interest, significant influence or joint control.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the Report, Oh Media had the following transactions with the related parties during the financial year.

	2020 RM	2021 RM	2022 RM
iMedia Asia Sdn. Bhd.:			
- Sales	(509,594)	(1,467,313)	(2,218,489)
- Lease of premises	6,750	27,000	30,240
Director:			
- Waiver of debts	11,296	-	-

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.9 RELATED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of Oh Media.

The remuneration of director and key management personnel of Oh Media during the financial period and year was as follows:

	2020 RM	**2021 RM**	**2022 RM**
Director's emoluments:			
- Short term employee benefits	119,970	125,000	132,500
- Contribution to defined contribution	15,200	15,000	15,900
- Other benefits	1,608	923	1,002
	136,778	140,923	149,402

8.8.10 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of Oh Media's capital management is to ensure that entities of Oh Media would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of Oh Media remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Oh Media manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, Oh Media may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) Fair values measurement hierarchy and estimation

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 transactions 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.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.10 FINANCIAL INSTRUMENTS (continued)

(b) Fair values measurement hierarchy and estimation (continued)

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, Oh Media uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Oh Media 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.

Oh Media recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.

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

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of Oh Media are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

8.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of Oh Media is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

Oh Media does not trade in derivative financial instruments. Oh Media is exposed mainly to liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Liquidity and cash flow risks

Liquidity and cash flow risk arises from the management of working capital of Oh Media. It is the risk that Oh Media would encounter difficulty in meeting its financial obligations when due.

Oh Media actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, Oh Media measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of Oh Media. Oh Media seeks to ensure the ability to service its cash obligations as and when they fall due through an efficient working capital management and funding from its shareholders.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the liabilities of Oh Media at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Other payables and accrual	54,714	-	-	54,714
Lease liabilities	27,000	-	-	27,000
Total undiscounted financial liabilities	81,714	-	-	81,714
2021				
Other payables and accrual	118,660	-	-	118,660
Lease liabilities	27,000	-	-	27,000
Total undiscounted financial liabilities	145,660	-	-	145,660
2022				
Other payables and accrual	143,949	-	-	143,949
Lease liabilities	51,840	-	-	51,840
Total undiscounted financial liabilities	195,789	-	-	195,789

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF OH MEDIA (continued)

8.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. Oh Media controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. Oh Media also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of Oh Media.

Cash deposits and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of Oh Media to monitor the financial standing of these counter parties on an ongoing basis to ensure that Oh Media is exposed to minimal credit risk.

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 8.8.3 and 8.8.4 of this Report. Deposits with bank and other financial institutions are neither past due nor impaired. This deposit is placed with or entered into with reputable financial institution with no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of Oh Media is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period 31 December 2022, 31 December 2021 and 31 December 2020, Oh Media does not have any significant concentration of credit risk to any individual customer or counter party, nor does it have any major concentration of credit risk related to any financial instruments other than amount owing by immediate holding company.

Oh Media did not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OH MEDIA

8.9.1 REVENUE

	2020 RM	2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of services	928,976	1,643,171	2,400,575
Timing of revenue recognition			
- Transferred over time	928,976	1,643,171	2,400,575

8.9.2 FINANCE COSTS

	2020 RM	2021 RM	2022 RM
Lease liability	476	655	734

8.9.3. PROFIT BEFORE TAX

Other than those disclosed elsewhere in the report, the profit before tax is arrived at:

	2020 RM	2021 RM	2022 RM
After charging:			
Auditors' remuneration	5,000	5,000	6,000
Rental of office	2,000	-	-
And crediting:			
Waiver of debts	11,296	-	-

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8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OH MEDIA (continued)

8.9.4 TAX EXPENSES

	2020 RM	2021 RM	2022 RM
Current tax expense based on profit for the financial year			
- Income tax	93,380	160,280	356,396
Under provision of tax in prior year	-	6,780	10,031
	93,380	167,060	366,427
Deferred tax (Note 8.8.7):			
- Relating to origination and reversal of temporary differences	806	-	1,135
- (Over)/Under provision in prior year	-	(806)	151
	94,186	166,254	367,713

(a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income and 24% (31.12.2021: 24%; 31.12.2020: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of Oh Media is as follows:

	2020 RM	2021 RM	2022 RM
Profit before tax	546,120	812,834	1,407,711
Tax at Malaysian statutory tax rate at 24%	131,069	195,080	337,851
Tax effects in respect of:			
- Non-allowable expenses	5,629	2,570	19,680
- Reduction in statutory tax rate on chargeable income up to RM600,000/ RM500,000	(38,451)	(42,000)	-
- Deferred tax assets not recognised	-	4,630	-
- Utilisation of previously unrecognised deferred tax assets	(4,061)	-	-
	94,186	160,280	357,531
Under/(Over) provision in prior years			
- current tax	-	6,780	10,031
- deferred tax	-	(806)	151
	94,186	166,254	367,713

8. FINANCIAL INFORMATION OF OH MEDIA (continued)

8.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF OH MEDIA (continued)

8.9.5 EMPLOYEE BENEFITS

	2020 RM	2021 RM	2022 RM
Salaries, wages, bonus and allowances	232,987	591,744	550,475
Contributions to defined contribution plan	30,490	73,576	83,708
Other benefits	4,496	57,521	34,101
	267,973	722,841	668,284

Included in the employee benefits of Oh Media is Directors' remuneration amounting to RM149,402 (31.12.2021: RM140,923; 31.12.2020: RM136,778).

8.10 SIGNIFICANT EVENT DURING THE FINANCIAL YEARS

On 11 March 2020, the shareholder of Oh Media has entered into a Share Sale Purchase Agreement with iMedia Asia Sdn. Bhd. to sell 80% of equity interest comprising of 1,840 ordinary shares in Oh Media for a total purchase consideration of RM1,600,000.

With effect from 14 July 2020, Oh Media became a subsidiary of iMedia Asia Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard iMedia Asia Sdn. Bhd., as Oh Media's immediate holding company.

OH MEDIA SDN. BHD. (201701044994 (1259167 - K))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of Oh Media Sdn. Bhd. ("Oh Media"), state that, in the opinion of the Director, the financial information set out on pages 94 to 133 are drawn up so as to give a true and fair view of the financial position of Oh Media as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with the resolution dated 16 June 2023.

....	....
Voon Tze Khay	**Tee Choon Wee**
Director	Director
16 June 2023	

9. FINANCIAL INFORMATION OF ITTIFY

9.1 STATEMENTS OF FINANCIAL POSITION OF ITTIFY

	Note	2020 RM	2021 RM	2022 RM
ASSETS				
Non-current assets				
Plant and equipment	9.8.1	14,390	16,701	11,101
Right-of-use asset	9.8.2	52,267	35,088	61,524
Intangible assets	9.8.3	164,247	106,096	79,501
		230,904	157,885	152,126
Current assets				
Trade and other receivables	9.8.4	876,847	2,201,695	2,124,350
Contract assets	9.8.5	149,932	253,447	234,206
Cash and bank balances	9.8.6	22,287	19,119	113,354
		1,049,066	2,474,261	2,471,910
TOTAL ASSETS		1,279,970	2,632,146	2,624,036
EQUITY AND LIABILITIES				
Equity				
Share capital	9.8.7	401,680	401,680	401,680
Retained earnings		228,452	551,854	1,170,080
TOTAL EQUITY		630,132	953,534	1,571,760
Non-current liabilities				
Deferred tax liabilities	9.8.8	1,191	-	2,441
Current liabilities				
Trade and other payables	9.8.9	566,601	1,581,600	880,457
Contract liabilities	9.8.5	4,702	-	916
Lease liability	9.8.2	52,632	35,088	61,524
Current tax liabilities		24,712	61,924	106,938
		648,647	1,678,612	1,049,835
TOTAL LIABILITIES		649,838	1,678,612	1,052,276
TOTAL EQUITY AND LIABILITIES		1,279,970	2,632,146	2,624,036

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ITTIFY

		2020 RM	2021 RM	2022 RM
Revenue	9.9.1	2,183,227	4,151,938	4,719,823
Cost of sales		(1,370,236)	(2,724,346)	(2,798,532)
Gross profit		812,991	1,427,592	1,921,291
Other income		39,111	10,712	-
Administrative expenses		(596,979)	(854,726)	(980,741)
Net losses on impairment of financial assets		(7,351)	(22,340)	(16,659)
Other operating expenses		(76,492)	(122,233)	(98,182)
Operating profit		171,280	439,005	825,709
Finance costs	9.9.2	(2,448)	(1,368)	(912)
Profit before tax	9.9.3	168,832	437,637	824,797
Tax expenses	9.9.4	(45,399)	(114,235)	(206,571)
Profit after tax		123,433	323,402	618,226
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		123,433	323,402	618,226

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.3 STATEMENTS OF CHANGE IN EQUITY OF ITTIFY

	Shares capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2020	401,680	105,019	506,699
Profit for the financial year	-	123,433	123,433
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	123,433	123,433
Balance as at 31 December 2020/ 1 January 2021	401,680	228,452	630,132
Profit for the financial year	-	323,402	323,402
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	323,402	323,402
Balance as at 31 December 2021/ 1 January 2022	401,680	551,854	953,534
Profit for the financial year	-	618,226	618,226
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	618,226	618,226
Balance as at 31 December 2022	401,680	1,170,080	1,571,760

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.4 STATEMENTS OF CASH FLOWS OF ITTIFY

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		168,832	437,637	824,797
Adjustments for:				
Amortisation of intangible assets	9.8.3	55,779	58,151	49,155
Depreciation of plant and equipment	9.8.1	2,646	6,815	7,939
Depreciation of right-of-use assets	9.8.2	13,067	52,267	35,088
Impairment loss on:				
- contract assets	9.8.5(e)	2,990	1,641	1,513
- trade receivables	9.8.4(f)	-	-	214
- amount owing by immediate holding company	9.8.4(g)	9,662	33,351	49,924
Interest expense	9.9.2	2,448	1,368	912
Reversal of impairment loss on:				
- contract assets	9.8.5(e)	(1,868)	(2,990)	(1,641)
- trade receivables	9.8.4(f)	(3,433)	-	-
- amount owing by immediate holding company	9.8.4(g)	-	(9,662)	(33,351)
Operating profit before changes in working capital		250,123	578,578	934,550
Changes in working capital:				
Contract assets		(64,755)	(102,166)	19,369
Trade and other receivables		(552,002)	(1,348,537)	60,558
Contract liabilities		(33,298)	(4,702)	916
Trade and other payables		383,890	1,014,999	(701,143)
Cash (used in)/generated from operations		(16,042)	138,172	314,250
Tax refunded		54,795	-	-
Tax paid		(19,832)	(78,214)	(159,116)
Net cash from operating activities		18,921	59,958	155,134

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.4 STATEMENTS OF CASH FLOWS OF ITTIFY (continued)

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of plant and equipment	9.8.1	(13,050)	(9,126)	(2,339)
Purchase of intangible assets	9.8.3	(37,343)	-	(22,560)
Net cash used in investing activities		(50,393)	(9,126)	(24,899)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid		(1,650)	-	-
Payments of lease liability	9.8.2	(13,500)	(54,000)	(36,000)
Net cash used in financing activities		(15,150)	(54,000)	(36,000)
Net (decrease)/increase in cash and cash equivalents		(46,622)	(3,168)	94,235
Cash and cash equivalents at beginning of financial year		68,909	22,287	19,119
Cash and cash equivalents at end of financial year	9.8.6	22,287	19,119	113,354

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2020 RM	2021 RM	2022 RM
Lease liability as at 1 January		-	52,632	35,088
Cash flows				
- Payment of lease liability		(13,500)	(54,000)	(36,000)
Non-cash changes				
- Financed by lease		65,334	35,088	61,524
- Unwinding of interest	9.9.2	798	1,368	912
Lease liability at 31 December	9.8.2	52,632	35,088	61,524

Stamped for the purpose of identification only
16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

9.5.1 BASIS OF PREPARATION

The financial information of Ittify for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The following accounting policies have been used consistently in the preparation of the financial information.

9.5.2 Basis of accounting

The financial information of Ittify have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, 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 9.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

9.5.3 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to Ittify and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Ittify is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

	2020	**2021**	**2022**
Computer and software	4 years	3 years	3 years

The revision in estimation above have been applied prospectively with effect from 1 January 2021. The effect of the above revision were accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of Ittify for 31 December 2021 has increased by RM 2,069.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.3 Plant and equipment and depreciation (continued)

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

9.5.4 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(a) Leases of low value assets; and
(b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Ittify's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(a) Amounts expected to be payable under any residual value guarantee;
(b) The exercise price of any purchase option granted in favour of Ittify if it is reasonable certain to assess that option; and
(c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(a) Lease payments made at or before commencement of the lease;
(b) Initial direct costs incurred; and
(c) The amount of any provision recognised where Ittify is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.4 Leases (continued)

When Ittify revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When Ittify renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

(a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
(b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
(c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to Ittify to use an identified asset and require services to be provided to Ittify by the lessor, Ittify has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

<u>Identifying leases</u>

Ittify accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) Ittify obtains substantially all the economic benefits from use of the asset; and
(c) Ittify has the right to direct use of the asset.

Ittify considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Ittify obtains substantially all the economic benefits from use of the asset, Ittify considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Ittify has the right to direct use of the asset, Ittify considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Ittify considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, Ittify applies other applicable MFRSs rather than MFRS 16.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least each balance sheet date.

Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the industry within which Ittify operate. The principal amortisation periods are as follows:

Software	5 years

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

9.5.6 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

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

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to Ittify.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to Ittify.

Financial instruments are recognised on the statement of financial position when Ittify has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

Ittify determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.7 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when Ittify's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by Ittify in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.7 Financial instruments (continued)

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, Ittify become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by Ittify that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for Ittify's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.7 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

9.5.8 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

9.5.9 Equity

An equity instrument is any contract that evidences a residual interest in the assets of Ittify after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

9.5.10 Impairment of financial assets

Ittify recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. Ittify applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Ittify expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Ittify considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of Ittify's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables and contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.10 Impairment of financial assets (continued)

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, Ittify assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

9.5.11 Borrowings costs

All other borrowing costs is recognised in profit or loss in the period in which they are incurred.

9.5.12 Income taxes

Income taxes include all domestic taxes, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which Ittify operates and include all taxes based upon the taxable profits (including withholding taxes payable by Ittify on distribution of retained earnings to Ittify), and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.12 Income taxes(continued)

(b) Deferred tax (continued)

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.

9.5.13 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where Ittify expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If Ittify has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.14 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Ittify or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Ittify does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Ittify. Ittify does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

9.5.15 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to Ittify.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving Ittify.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Ittify makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

9.5.16 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of Ittify are measured using the currency of the primary economic environment in which these entities operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of Ittify.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.17 Revenue recognition

Ittify recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of consideration to which Ittify expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, Ittify allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which Ittify expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) Ittify satisfies a performance obligation.

Ittify satisfies a performance obligation and recognise revenue over time if Ittify's performance:

(a) Does not create an asset with an alternative use to Ittify and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as Ittify performs.

When Ittify satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

<u>Projects</u>

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

Ittify determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.17 Revenue recognition (continued)

Projects (continued)

When the fair value of variable consideration is uncertain, Ittify estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that Ittify would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of Ittify does not create an asset with an alternative use to Ittify and Ittify has an enforceable right to payment for performance completed to date.

Ittify recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by Ittify. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

Ittify identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. Ittify also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, Ittify considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

9.5.18 Fair value measurements

The fair value of an asset or a liability except for 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 fair value 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.

Ittify measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. Ittify has considered the following characteristics when determining its fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

9.5.18 Fair value measurements (continued)

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

9.5.19 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of Ittify in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of Ittify to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when Ittify issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 9.5.10 of this Report for impairment approach of contract assets.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

9.6.1 New MFRSs adopted during the financial years

Ittify adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of Ittify.

9.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contract*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimate*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

Ittify is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

9.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

9.7.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the FYE 31 December 2021, Ittify revised the estimates of useful life of plant and equipment as disclosed in Note 9.5.3 of this Report.

The Directors are of the opinion that there are no other significant changes in estimates at the end of the reporting period.

9.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of Ittify that have a significant effect on the amounts recognised in the financial statements.

9.7.3 Key sources of estimation uncertainty

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

(a) Depreciation of plant and equipment and amortisation of intangible assets

The cost of plant and equipment and intangible assets is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Determination of the lease term for leases

Ittify determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if Ittify are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for Ittify to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of Ittify.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

9.7.3 Key sources of estimation uncertainty (continued)

(c) Impairment of trade receivables and financial assets

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. Ittify adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting period.

(d) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Ittify recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(e) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Ittify measures financial instruments at fair value as disclosed in Note 9.8.11 of this Report.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY

9.8.1 PLANT AND EQUIPMENT

2020	**Balance as at 1.1.2020 RM**	**Additions RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2020 RM**
Carrying amount				
Computer and software	3,986	13,050	(2,646)	14,390
	3,986	13,050	(2,646)	14,390

	Cost RM	**Accumulated depreciation RM**	**Carrying amount RM**
Computer and software	21,030	(6,640)	14,390

2021	**Balance as at 1.1.2021 RM**	**Additions RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2021 RM**
Carrying amount				
Computer and software	14,390	9,126	(6,815)	16,701
	14,390	9,126	(6,815)	16,701

	Cost RM	**Accumulated depreciation RM**	**Carrying amount RM**
Computer and software	30,156	(13,455)	16,701

2022	**Balance as at 1.1.2022 RM**	**Additions RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2022 RM**
Carrying amount				
Computer and software	16,701	2,339	(7,939)	11,101
	16,701	2,339	(7,939)	11,101

	Cost RM	**Accumulated depreciation RM**	**Carrying amount RM**
Computer and software	32,495	(21,394)	11,101

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.2 LEASES

Ittify as lessee

Right-of-use assets

2020	**Balance as at 1.1.2020 RM**	**Additions RM**	**Depreciation RM**	**Balance as at 31.12.2020 RM**
Carrying amount				
Premises	-	65,334	(13,067)	52,267
	-	65,334	(13,067)	52,267

2021	**Balance as at 1.1.2021 RM**	**Additions RM**	**Depreciation RM**	**Balance as at 31.12.2021 RM**
Carrying amount				
Premises	52,267	35,088	(52,267)	35,088
	52,267	35,088	(52,267)	35,088

2022	**Balance as at 1.1.2022 RM**	**Additions RM**	**Depreciation RM**	**Balance as at 31.12.2022 RM**
Carrying amount				
Premises	35,088	61,524	(35,088)	61,524
	35,088	61,524	(35,088)	61,524

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.2 LEASES (continued)

Ittify as lessee (continued)

Lease liability

2020	**Balance as at 1.1.2020 RM**	**Addition RM**	**Lease payments RM**	**Interest expense RM**	**Balance as at 31.12.2020 RM**
Carrying amount					
Premises	-	65,334	(13,500)	798	52,632
	-	65,334	(13,500)	798	52,632

2021	**Balance as at 1.1.2021 RM**	**Additions RM**	**Lease payments RM**	**Interest expense RM**	**Balance as at 31.12.2021 RM**
Carrying amount					
Premises	52,632	35,088	(54,000)	1,368	35,088
	52,632	35,088	(54,000)	1,368	35,088

2022	**Balance as at 1.1.2022 RM**	**Additions RM**	**Lease payments RM**	**Interest expense RM**	**Balance as at 31.12.2022 RM**
Carrying amount					
Premises	35,088	61,524	(36,000)	912	61,524
	35,088	61,524	(36,000)	912	61,524

Represented by:	**2020 RM**	**2021 RM**	**2022 RM**
Current liability	52,632	35,088	61,524
Lease liability owing to non-financial institution	52,632	35,088	61,524

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.9 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.2 LEASES (continued)

Ittify as lessee (continued)

(a) Ittify has certain premises with lease term of 12 months or less. Ittify applies the "short-term lease" exemptions for this leases.

(b) The following are the amounts recognised in profit or loss:

	2020 RM	2021 RM	2022 RM
Depreciation charge of right-of-use assets (included in administration expenses)	13,067	52,267	35,088
Interest expense on lease liabilities (included in finance costs)	798	1,368	912
Expense relating to short-term leases (included in administration expenses)	61,485	-	-
	75,350	53,635	36,000

(c) The following are total cash outflows for leases as a lessee:

	2020 RM	2021 RM	2022 RM
Included in net cash from financing activities:			
Payment of lease liabilities	13,500	54,000	36,000

(d) The weighted average interest rates of lease liabilities of Ittify during the financial year were 6.47% (31.12.2021: 5.64%; 31.12.2020: 5.64%).

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 9.8.12 of this Report.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.3 INTANGIBLE ASSETS

2020	Balance as at 1.1.2020 RM	Additions RM	Amortisation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount				
Software	182,683	37,343	(55,779)	164,247
	182,683	37,343	(55,779)	164,247

	Cost RM	Accumulated amortisation RM	Carrying amount RM
Software	239,871	(75,624)	164,247
	239,871	(75,624)	164,247

2021	Balance as at 1.1.2021 RM	Amortisation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount			
Software	164,247	(58,151)	106,096
	164,247	(58,151)	106,096

	Cost RM	Accumulated amortisation RM	Carrying amount RM
Software	239,871	(133,775)	106,096
	239,871	(133,775)	106,096

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.3 INTANGIBLE ASSETS (continued)

2022	Balance as at 1.1.2022 RM	Additions RM	Amortisation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount				
Software	106,096	22,560	(49,155)	79,501
	106,096	22,560	(49,155)	79,501

	Cost RM	Accumulated amortisation RM	Carrying amount RM
Software	262,431	(182,930)	79,501
	262,431	(182,930)	79,501

9.8.4 TRADE AND OTHER RECEIVABLES

	2020 RM	2021 RM	2022 RM
Trade receivables			
Third parties	2,805	2,217	28,537
Amount owing by immediate holding company	877,515	2,223,038	2,105,109
	880,320	2,225,255	2,133,646
Less: Impairment losses			
Third parties	-	-	(214)
Amount owing by immediate holding company	(9,662)	(33,351)	(49,924)
	870,658	2,191,904	2,083,508
Other receivables			
Third parties	814	-	22,500
Deposits	2,366	236	-
	3,180	236	22,500
Total trade and other receivables, net of prepayments	873,838	2,192,140	2,106,008
Prepayments	3,009	9,555	18,342
	876,847	2,201,695	2,124,350

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.4 TRADE AND OTHER RECEIVABLES (continued)

(a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Ittify range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) The currency exposure profile of trade and other receivables (net of prepayments) are as follows:

	2020 RM	2021 RM	2022 RM
Ringgit Malaysia	873,838	2,192,140	2,106,008
Singapore Dollar	-	-	-
	873,838	2,192,140	2,106,008

(d) The ageing analysis of trade receivables of Ittify is as follows:

2020	Gross carrying amount RM	Total allowance RM	Balance RM
Current	429,301	(4,698)	424,603
Past due			
1 to 30 days	106,104	(1,168)	104,936
31 to 60 days	162,424	(1,788)	160,636
61 to 90 days	10,631	(116)	10,515
More than 91 days	171,860	(1,892)	169,968
	451,019	(4,964)	446,055
	880,320	(9,662)	870,658
2021			
Current	966,715	(14,503)	952,212
Past due			
1 to 30 days	210,469	(3,127)	207,342
31 to 60 days	405,901	(6,090)	399,811
61 to 90 days	310,987	(4,665)	306,322
More than 91 days	331,183	(4,966)	326,217
	1,258,540	(18,848)	1,239,692
	2,225,255	(33,351)	2,191,904

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.4 TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of Ittify is as follows: (continued)

2022	**Gross carrying amount RM**	**Total allowance RM**	**Balance RM**
Current	435,502	(10,173)	425,329
Past due			
1 to 30 days	79,923	(1,870)	78,053
31 to 60 days	377,953	(8,850)	369,102
61 to 90 days	364,130	(8,578)	355,552
More than 91 days	876,139	(20,667)	855,472
	1,698,144	(39,965)	1,658,179
	2,133,646	(50,138)	2,083,508

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of Ittify are summarised in the table below:

	2020 RM	**2021 RM**	**2022 RM**
Maximum exposure	870,658	2,191,904	2,083,508
Collateral obtained	-	-	-
Net exposure to credit risk	870,658	2,191,904	2,083,508

(f) Movements in the impairment allowance for trade receivables are as follows:

	2020 RM	**2021 RM**	**2022 RM**
As at 1 January	3,433	-	-
Charge for the financial year	-	-	214
Reversal of impairment losses	(3,433)	-	-
As at 31 December	-	-	214

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.4 TRADE AND OTHER RECEIVABLES (continued)

(g) The reconciliation of movements in the impairment losses on amount owing by an immediate holding company are as follows:

	Lifetime ECL Not Credit Impaired 2020 RM	2021 RM	2022 RM
As at 1 January	-	9,662	33,351
Charge for the financial year	9,662	33,351	49,924
Reversal of impairment losses	-	(9,662)	(33,351)
At 31 December	9,662	33,351	49,924

(h) No expected credit loss is recognised arising from other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Note 9.8.12 of this Report.

9.8.5 CONTRACT ASSETS/(LIABILITIES)

	2020 RM	2021 RM	2022 RM
Contract assets relating to contracts with customers	152,922	255,088	235,719
Less: Impairment losses	(2,990)	(1,641)	(1,513)
	149,932	253,447	234,206
Contract liabilities			
- Deferred income	(4,702)	-	(916)

(a) The contract assets primarily relate to Ittify's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.

(b) A contract liabilities are stated at cost and represents the obligation of Ittify to transfer services to customers for which consideration has been received from the customers.

(c) In the financial year 31 December 2022, revenue of RM916 (31.12.2021: NIL, 31.12.2020: RM4,702) are expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.5 CONTRACT ASSETS/(LIABILITIES) (continued)

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

	Current
2020	
Expected loss rate	1.955%
Gross carrying amount (RM)	152,922
Impairment (RM)	2,990
2021	
Expected loss rate	0.643%
Gross carrying amount (RM)	255,088
Impairment (RM)	1,641
2022	
Expected loss rate	0.642%
Gross carrying amount (RM)	235,719
Impairment (RM)	1,513

(e) Movements in the impairment allowance for contract assets are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	1,868	2,990	1,641
Charge for the financial year	2,990	1,641	1,513
Reversal of impairment losses	(1,868)	(2,990)	(1,641)
As at 31 December	2,990	1,641	1,513

9.8.6 CASH AND BANK BALANCES

	2020 RM	2021 RM	2022 RM
Cash and bank balances	22,287	19,119	113,354

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.6 CASH AND BANK BALANCES (continued)

(c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 9.8.12 of this Report.

9.8.7 SHARE CAPITAL

	2020	**2021**	**2022**
Number of ordinary shares			
Issued and fully paid			
Ordinary shares			
At beginning/end of the financial year	2,000	2,000	2,000

	2020 RM	**2021 RM**	**2022 RM**
Ordinary shares			
Issued and fully paid			
Ordinary share			
At beginning/end of the financial year	401,680	401,680	401,680

The owners are entitled to receive dividends as and when declared by Ittify and are entitled to one (1) vote per ordinary share at meetings of Ittify. All ordinary shares rank pari passu with regard to the residual assets of Ittify.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.8. DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities are made up of the following:

	2020 RM	2021 RM	2022 RM
Balance as at 1 January	-	1,191	-
Recognised in profit or loss (Note 9.9.4)	1,191	(1,191)	2,441
Balance as at 31 December	1,191	-	2,441
Presented after appropriate offsetting as follows:			
Deferred tax assets	-	-	-
Deferred tax liabilities	1,191	-	2,441
	1,191	-	2,441

(b) Components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Plant and equipment RM	Others RM	Total RM
At 1 January 2020	-	-	-
Recognised in profit or loss	1,279	(88)	1,191
At 31 December 2020	1,279	(88)	1,191
At 1 January 2021	1,279	(88)	1,191
Recognised in profit or loss	(1,279)	88	(1,191)
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Recognised in profit or loss	2,441	-	2,441
At 31 December 2022	2,441	-	2,441

(c) The amount of temporary difference for which no deferred tax asset had been recognised in the interim statement of financial position is as follows:

	2020 RM	2021 RM	2022 RM
Other temporary differences	9,663	46,591	-

Deferred tax assets had not been recognised in respect of these items as it was not probable that taxable profit would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.9 TRADE AND OTHER PAYABLES

	2020 RM	2021 RM	2022 RM
Trade payables			
Third parties	109,339	422,126	269,742
Other payables and accruals			
Third parties	680	-	-
Amount owing to immediate holding company	9,000	9,177	41,942
Accruals	447,582	1,150,297	568,773
	457,262	1,159,474	610,715
	566,601	1,581,600	880,457

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to Ittify range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice.

(c) Amount owing to immediate holding company are non-trade in nature, unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.

(d) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(e) The maturity profile of trade and other payables of Ittify at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

(f) Information on financial risks of trade and other payables is disclosed in Note 9.8.12 of this Report.

9.8.10 RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to Ittify if Ittify 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 Ittify and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of Ittify includes:

(i) iMedia Asia Sdn. Bhd., the immediate holding company;

(ii) Catcha Group Pte. Ltd., the ultimate holding company;

(iii) Catcha Digital Berhad, the penultimate holding company;

(iv) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.10 RELATED PARTIES DISCLOSURES (continued)

(a) Identities of related parties (continued)

(v) Key management personnel which comprises persons (including the Directors of the Ittify) having authority and responsibility for planning, directing and controlling the activities of Ittify directly or indirectly; and

(vi) Companies in which the directors and also the substantial shareholders of the ultimate holding company have controlling interest, significant influence or joint control.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in this Report, Ittify had the following transactions with related parties during the financial year:

	2020 RM	2021 RM	2022 RM
iMedia Asia Sdn. Bhd.:			
- Sales	(1,321,885)	(4,146,888)	(4,606,449)
- Lease of premises	13,500	54,000	36,000
- Rental income	(2,134)	-	-

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of Ittify.

The remuneration of Directors and key management personnel of Ittify during the financial years was as follows:

	2020 RM	2021 RM	2022 RM
Directors' emoluments	81,600	91,800	106,000
Contribution to defined contribution plan	10,608	11,040	12,733
Other benefits	919	924	1,002
	93,127	103,764	119,735

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9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.11 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of Ittify's capital management is to ensure that entities of Ittify would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of Ittify remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Ittify manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, Ittify may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) Fair values measurement hierarchy and estimation

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 transactions 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, Ittify uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Ittify 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.

Ittify recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.

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

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of Ittify are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of Ittify is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and the unpredictability of the financial markets.

Ittify does not trade in derivative financial instruments. Ittify is exposed mainly to foreign currency risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Ittify is exposed to transactional currency risk primarily through sales that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is Singapore Dollar (SGD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis for foreign currency risk

Sensitivity analysis of RM against foreign currency at the end of the reporting period was not presented as the exposure is not significant.

(ii) Liquidity and cash flow risks

It is Ittify's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to Ittify's operations.

The table below summarises the maturity profile of the liabilities of Ittify at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Trade and other payables	566,601	-	-	566,601
Lease liability	54,000	-	-	54,000
Total undiscounted financial liabilities	620,601	-	-	620,601
2021				
Trade and other payables	1,581,600	-	-	1,581,600
Lease liability	36,000	-	-	36,000
Total undiscounted financial liabilities	1,617,600	-	-	1,617,600
2022				
Trade and other payables	880,457	-	-	880,457
Lease liability	63,360	-	-	63,360
Total undiscounted financial liabilities	943,817	-	-	943,817

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF ITTIFY (continued)

9.8.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. Ittify controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. Ittify also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of Ittify.

Cash deposits, contract assets and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of Ittify to monitor the financial standing of these counter parties on an ongoing basis to ensure that Ittify is exposed to minimal credit risk.

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 9.8.4 and 9.8.5 of this Report respectively. Deposits with banks and other financial institutions are neither past due nor impaired. These deposits are placed with or entered into with reputable financial institutions with no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of Ittify is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period 31 December 2022, 31 December 2021 and 31 December 2020, Ittify does not have any significant concentration of credit risk to any individual customer or counter party, nor does it have any major concentration of credit risk related to any financial instruments other than amount owing by immediate holding company.

Ittify do not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

9.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ITTIFY

9.9.1 REVENUE

	2020 RM	2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of electronic advertising services	2,183,227	4,151,938	4,719,823
Timing of revenue recognition			
- Transferred over time	2,183,227	4,151,938	4,719,823

9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ITTIFY (continued)

9.9.2 FINANCE COSTS

	2020 RM	2021 RM	2022 RM
Lease liabilities	798	1,368	912
Interest expense	1,650	-	-
	2,448	1,368	912

9.9.3 PROFIT BEFORE TAX

Other than those disclosed elsewhere in the report, the profit before tax is arrived at:

	2020 RM	2021 RM	2022 RM
After charging:			
Auditors' remuneration	5,000	5,000	6,000
Rental of premise	61,485	-	-
And crediting:			
Wages subsidy	27,000	-	-
Rental income	8,965	-	-
Realised gain on foreign exchange	146	-	-

9.9.4 TAX EXPENSES

	2020 RM	2021 RM	2022 RM
Current tax expense based on profit for the financial year:			
- Income tax	44,208	95,565	223,874
- Under/(Over) provision of tax in prior years	-	19,861	(19,744)
	44,208	115,426	204,130

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9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ITTIFY (continued)

9.9.4 TAX EXPENSES (continued)

	2020 RM	2021 RM	2022 RM
Deferred tax (Note 9.8.8)			
- Relating to origination and reversal of temporary differences	677	-	(1,420)
- Under/(Over) provision in prior years	514	(1,191)	3,861
	1,191	(1,191)	2,441
	45,399	114,235	206,571

(a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income and 24% (31.12.2021: 24%; 31.12.2020: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of Ittify is as follows:

	2020 RM	2021 RM	2022 RM
Profit before tax	168,832	437,637	824,797
Tax at Malaysian statutory tax rate at 24%	40,520	105,033	197,951
Tax effects in respect of:			
- Non-allowable expenses	20,249	21,019	24,503
- Reduction in statutory tax rate on chargeable income up to RM600,000/RM500,000	(18,203)	(39,350)	-
- Deferred tax asset not recognised during the financial year	2,319	8,863	-
	44,885	95,565	222,454
Under/(Over) provision in prior years:			
- current tax	-	19,861	(19,744)
- deferred tax	514	(1,191)	3,861
	45,399	114,235	206,571

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9. FINANCIAL INFORMATION OF ITTIFY (continued)

9.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF ITTIFY (continued)

9.9.5 EMPLOYEE BENEFITS

	2020 RM	2021 RM	2022 RM
Salaries, wages, bonus and allowances	340,270	624,648	641,216
Contributions to defined contribution plan	57,654	77,128	96,625
Other benefits	6,588	71,001	29,234
	404,512	772,777	767,075

Included in the employee benefits of Ittify is Directors' remuneration amounting to RM119,735 (31.12.2021: RM103,764; 31.12.2020: RM93,127).

9.10 SIGNIFICANT EVENT DURING THE FINANCIAL YEARS

On 3 July 2020, the shareholders of Ittify have entered into a Share Sale Purchase Agreement with iMedia Asia Sdn. Bhd. to sell 51% of equity interest comprising of 1,020 ordinary shares in Ittify for a total purchase consideration of RM2,040,000.

With effect from 4 August 2020, Ittify became a subsidiary of iMedia Asia Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard iMedia Asia Sdn. Bhd., as Ittify's immediate holding company.

ITTIFY SDN. BHD. (201501028586 (1153907 - P))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of Ittify Sdn. Bhd. ("Ittify"), state that, in the opinion of the Directors, the financial information set out on pages 135 to 176 are drawn up so as to give a true and fair view of the financial position of Ittify as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 June 2023.

....	....
Voon Tze Khay	**Tee Choon Wee**
Director	Director

16 June 2023

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES

10.1 STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES

	Note	2020 RM	2021 RM	2022 RM
ASSETS				
Non-current assets				
Plant and equipment	10.8.1	15,247	26,984	79,010
Right-of-use assets	10.8.2	30,254	43,365	43,460
		45,501	70,349	122,470
Current assets				
Trade and other receivables	10.8.3	960,962	1,754,669	3,212,396
Contract assets	10.8.4	66,443	203,465	397,604
Current tax assets		22,763	-	-
Cash and bank balances	10.8.5	171,450	357,380	60,244
		1,221,618	2,315,514	3,670,244
TOTAL ASSETS		1,267,119	2,385,863	3,792,714
EQUITY AND LIABILITIES				
Equity				
Share capital	10.8.6	362,316	362,316	362,316
Retained earnings		33,761	1,056,563	2,532,504
TOTAL EQUITY		396,077	1,418,879	2,894,820
Non-current liabilities				
Deferred tax liabilities	10.8.7	-	-	2,220
Lease liabilities	10.8.2	-	-	20,501
		-	-	22,721
Current liabilities				
Trade and other payables	10.8.8	560,999	678,945	590,547
Contract liabilities	10.8.4	277,266	85,892	27,241
Lease liabilities	10.8.2	32,777	44,180	23,189
Current tax liabilities		-	157,967	234,196
		871,042	966,984	875,173
TOTAL LIABILITIES		871,042	966,984	897,894
TOTAL EQUITY AND LIABILITIES		1,267,119	2,385,863	3,792,714

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF GOODY TECHNOLOGIES

	Note	2020 RM	2021 RM	2022 RM
Revenue	10.9.1	2,628,902	3,008,012	3,502,363
Cost of sales		(878,680)	(208,457)	(208,490)
Gross profit		1,750,222	2,799,555	3,293,873
Other income		99,898	4,968	2,165
Administrative expenses		(1,691,452)	(1,396,088)	(1,250,392)
Distribution costs		(22,939)	(150)	(12,700)
Net losses on impairment of financial assets		(3,201)	(22,292)	(67,246)
Other operating expenses		(2,636)	-	-
Operating profit		129,892	1,385,993	1,965,700
Finance costs	10.9.2	(2,568)	(1,362)	(1,551)
Profit before tax	10.9.3	127,324	1,384,631	1,964,149
Tax expenses	10.9.4	(38,875)	(361,829)	(488,208)
Profit after tax		88,449	1,022,802	1,475,941
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		88,449	1,022,802	1,475,941

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.3 STATEMENTS OF CHANGE IN EQUITY OF GOODY TECHNOLOGIES

	Shares capital RM	Distributable Retained earning RM	Total equity RM
Balance as at 1 January 2020	362,316	(54,688)	307,628
Profit for the financial year	-	88,449	88,449
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	88,449	88,449
Balance as at 31 December 2020/ 1 January 2021	362,316	33,761	396,077
Profit for the financial year	-	1,022,802	1,022,802
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	1,022,802	1,022,802
Balance as at 31 December 2021/ 1 January 2022	362,316	1,056,563	1,418,879
Profit for the financial year	-	1,475,941	1,475,941
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	1,475,941	1,475,941
Balance as at 31 December 2022	362,316	2,532,504	2,894,820

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.4 STATEMENTS OF CASH FLOWS OF GOODY TECHNOLOGIES

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax		127,324	1,384,631	1,964,149
Adjustments for:				
Depreciation of plant and equipment	10.8.1	18,425	8,155	18,896
Depreciation of right-of-use assets	10.8.2	30,254	38,727	44,585
Loss/(Gain) on disposal of investment		6,521	-	(1,113)
Gain on remeasurement of right-of-use assets		-	-	(69)
Plant and equipment written off	10.8.1	906	20	44
Bad debt written off		4,516	-	-
Impairment losses on:				
- contract assets	10.8.4(e)	1,028	4,635	7,707
- trade receivables	10.8.3(f)	3,695	91	4
- amount owing by immediate holding company	10.8.3(g)	7,354	28,745	93,904
- other receivables	10.8.3(h)	-	898	-
Interest expense	10.9.2	2,568	1,362	1,551
Interest income		(49)	(19)	(742)
Reversal of impairment losses on:				
- contract assets	10.8.4(e)	-	(1,028)	(4,635)
- trade receivables	10.8.3(f)	(8,876)	(3,695)	(91)
- amount owing by immediate holding company	10.8.3(g)	-	(7,354)	(28,745)
- other receivables	10.8.3(h)	-	-	(898)
Unrealised loss on foreign exchange		2,278	-	-
Operating profit before changes in working capital		195,944	1,455,168	2,094,547
Changes in working capital:				
Trade and other receivables		(328,915)	(812,392)	(1,521,901)
Contract assets		(67,471)	(140,629)	(197,211)
Trade and other payables		(133,118)	117,946	(88,398)
Contract liabilities		270,066	(191,374)	(58,651)
Cash (used in)/generated from operations		(63,494)	428,719	228,386
Tax paid		(32,820)	(181,099)	(409,759)
Net cash (used in)/from operating activities		(96,314)	247,620	(181,373)

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.4 STATEMENTS OF CASH FLOWS OF GOODY TECHNOLOGIES (continued)

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received		49	19	742
(Placements)/Withdrawal of deposits pledged to licensed banks		(23)	1,060	-
Purchase of plant and equipment	10.8.1	(12,236)	(19,912)	(70,973)
Proceeds from disposal of investment		20	-	1,120
Net cash used in investing activities		(12,190)	(18,833)	(69,111)
CASH FLOWS FROM FINANCING ACTIVITIY				
Payments of lease liability	10.8.2	(33,600)	(41,797)	(46,652)
Net cash used in financing activity		(33,600)	(41,797)	(46,652)
Net (decrease)/increase in cash and cash equivalents		(142,104)	186,990	(297,136)
Cash and cash equivalents at date of beginning of financial year		312,494	170,390	357,380
Cash and cash equivalents at end of financial year	10.8.5(d)	170,390	357,380	60,244

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.4 STATEMENTS OF CASH FLOWS OF GOODY TECHNOLOGIES (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2020 RM	2021 RM	2022 RM
Lease liabilities at of 1 January		63,809	32,777	44,180
Cash flows				
- Payment of lease liabilities		(33,600)	(41,797)	(46,652)
Non-cash changes				
- Financed by lease		-	51,838	47,411
- Unwinding of interest	10.9.2	2,568	1,362	1,551
- Remeasurement of lease		-	-	(2,800)
Lease liabilities at of 31 December	10.8.2	32,777	44,180	43,690

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

10.5.1 BASIS OF PREPARATION

The financial information of Goody Technologies for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The following accounting policies have been used consistently in the preparation of the financial information.

10.5.2 Basis of accounting

The financial information of Goody Technologies have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, 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 10.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

10.5.3 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to Goody Technologies and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Goody Technologies is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.3 Plant and equipment and depreciation (continued)

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods and rates are as follows:

Computer and software	1 - 2 years
Furniture and fittings	3 - 5 years
Office equipment	2 - 5 years
Renovation	6 - 7 years

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

10.5.4 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(a) Leases of low value assets; and
(b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Goody Technologies's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(a) Amounts expected to be payable under any residual value guarantee;
(b) The exercise price of any purchase option granted in favour of Goody Technologies if it is reasonable certain to assess that option; and
(c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(a) Lease payments made at or before commencement of the lease;

(b) The amount of any provision recognised where Goody Technologies is contractually required to dismantle, remove or restore the leased asset.

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.4 Leases (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When Goody Technologies revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When Goody Technologies renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

(a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
(b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
(c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to Goody Technologies to use an identified asset and require services to be provided to Goody Technologies by the lessor, Goody Technologies has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Identifying leases

Goody Technologies accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) Goody Technologies obtains substantially all the economic benefits from use of the asset; and
(c) Goody Technologies has the right to direct use of the asset.

Goody Technologies considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.4 Leases (continued)

Identifying leases (continued)

In determining whether Goody Technologies obtains substantially all the economic benefits from use of the asset, Goody Technologies considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Goody Technologies has the right to direct use of the asset, Goody Technologies considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Goody Technologies considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, Goody Technologies applies other applicable MFRSs rather than MFRS 16.

10.5.5 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.5 Impairment of non-financial assets (continued)

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

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

10.5.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to Goody Technologies.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to Goody Technologies.

Financial instruments are recognised on the statement of financial position when Goody Technologies has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

Goody Technologies determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.6 Financial instruments (continued)

(a) Financial assets (continued)

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when Goody Technologies's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by Goody Technologies in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.6 Financial instruments (continued)

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, Goody Technologies become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by Goody Technologies that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for Goody Technologies's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.7 Equity

An equity instrument is any contract that evidences a residual interest in the assets of Goody Technologies after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

10.5.8 Impairment of financial assets

Goody Technologies recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. Goody Technologies applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Goody Technologies expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Goody Technologies considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of Goody Technologies's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, Goody Technologies assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.8 Impairment of financial assets (continued)

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

10.5.9 Borrowings costs

All other borrowing costs is recognised in profit or loss in the period in which they are incurred.

10.5.10 Income taxes

Income taxes include all domestic taxes, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which Goody Technologies operates and include all taxes based upon the taxable profits (including withholding taxes payable by Goody Technologies on distribution of retained earnings to Goody Technologies), and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.10 Income taxes (continued)

(b) Deferred tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.

10.5.11 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where Goody Technologies expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If Goody Technologies has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

10.5.12 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Goody Technologies or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Goody Technologies does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Goody Technologies. Goody Technologies does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.13 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to Goody Technologies.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving Goody Technologies.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Goody Technologies makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

10.5.14 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of Goody Technologies are measured using the currency of the primary economic environment in which these entities operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of Goody Technologies.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.15 Revenue recognition

Goody Technologies recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of consideration to which Goody Technologies expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, Goody Technologies allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which Goody Technologies expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) Goody Technologies satisfies a performance obligation.

Goody Technologies satisfies a performance obligation and recognise revenue over time if Goody Technologies's performance:

(a) Does not create an asset with an alternative use to Goody Technologies and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as Goody Technologies performs.

When Goody Technologies satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

<u>Projects</u>

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

Goody Technologies determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.15 Revenue recognition (continued)

Projects (continued)

When the fair value of variable consideration is uncertain, Goody Technologies estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that Goody Technologies would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of Goody Technologies does not create an asset with an alternative use to Goody Technologies and Goody Technologies has an enforceable right to payment for performance completed to date.

Goody Technologies recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by Goody Technologies. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

Goody Technologies identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. Goody Technologies also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, Goody Technologies considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

10.5.16 Fair value measurements

The fair value of an asset or a liability except for 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 fair value 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.

Goody Technologies measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. Goody Technologies has considered the following characteristics when determining its fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

10.5.16 Fair value measurements (continued)

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

10.5.17 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of Goody Technologies in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of Goody Technologies to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when Goody Technologies issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 10.5.8 of this Report for impairment approach of contract assets.

10.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

10.6.1 New MFRSs adopted during the financial years

Goody Technologies adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	**Effective Date**
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021

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10.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs (continued)

10.6.1 New MFRSs adopted during the financial years (continued)

Goody Technologies adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years: (continued)

Title	Effective Date
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of Goody Technologies.

10.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contract*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimate*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

Goody Technologies is still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

10.7.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no changes in estimates at the end of the reporting period.

10.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of Goody Technologies that have a significant effect on the amounts recognised in the financial statements.

10.7.3 Key sources of estimation uncertainty

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

(a) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Determination of the lease term for leases

Goody Technologies determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if Goody Technologies are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for Goody Technologies to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of Goody Technologies.

(c) Impairment of trade receivables and financial assets

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. Goody Technologies adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting period.

(d) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Goody Technologies recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

10.7.3 Key sources of estimation uncertainty (continued)

(e) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Goody Technologies measures financial instruments at fair value as disclosed in Note 10.8.10 of this Report.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES

10.8.1 PLANT AND EQUIPMENT

2020	Balance as at 1.1.2020 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount					
Computer and software	6,461	9,736	(906)	(10,393)	4,898
Furniture and fittings	2,981	-	-	(1,206)	1,775
Office equipment	12,006	2,500	-	(6,624)	7,882
Renovation	894	-	-	(202)	692
	22,342	12,236	(906)	(18,425)	15,247

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	76,479	(71,581)	4,898
Furniture and fittings	6,418	(4,643)	1,775
Office equipment	26,851	(18,969)	7,882
Renovation	1,350	(658)	692
	111,098	(95,851)	15,247

2021	Balance as at 1.1.2021 RM	Additions RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount					
Computer and software	4,898	18,612	(16)	(2,530)	20,964
Furniture and fittings	1,775	-	-	(1,013)	762
Office equipment	7,882	1,300	(4)	(4,201)	4,977
Renovation	692	-	-	(411)	281
	15,247	19,912	(20)	(8,155)	26,984

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.1 PLANT AND EQUIPMENT (continued)

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	63,515	(42,551)	20,964
Furniture and fittings	6,419	(5,657)	762
Office equipment	23,020	(18,043)	4,977
Renovation	1,350	(1,069)	281
	94,304	(67,320)	26,984

2022	Balance as at 1.1.2022 RM	Additions RM	Disposal RM	Written off RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount						
Computer and software	20,964	15,781	-	(3)	(12,509)	24,233
Furniture and fittings	762	5,120	(1)	-	(843)	5,038
Office equipment	4,977	6,596	(6)	(7)	(3,218)	8,342
Renovation	281	43,476	-	(34)	(2,326)	41,397
	26,984	70,973	(7)	(44)	(18,896)	79,010

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	74,437	(50,204)	24,233
Furniture and fittings	8,481	(3,443)	5,038
Office equipment	16,334	(7,992)	8,342
Renovation	43,476	(2,079)	41,397
	142,728	(63,718)	79,010

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.2 LEASES

Goody Technologies as lessee

Right-of-use assets

2020	Balance as at 1.1.2020 RM	Depreciation RM	Balance as at 31.12.2020 RM
Carrying amount			
Premises	60,508	(30,254)	30,254
	60,508	(30,254)	30,254

2021	Balance as at 1.1.2021 RM	Addition RM	Depreciation RM	Balance as at 31.12.2021 RM
Carrying amount				
Premises	30,254	51,838	(38,727)	43,365
	30,254	51,838	(38,727)	43,365

2022	Balance as at 1.1.2022 RM	Addition RM	Re-measurement RM	Depreciation RM	Balance as at 31.12.2022 RM
Carrying amount					
Premises	43,365	47,411	(2,731)	(44,585)	43,460
	43,365	47,411	(2,731)	(44,585)	43,460

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.2 LEASES (continued)

Goody Technologies as lessee (continued)

<u>**Lease liabilities**</u>

2020	Balance as at 1.1.2020 RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount				
Premises	63,809	(33,600)	2,568	32,777
	63,809	(33,600)	2,568	32,777

2021	Balance as at 1.1.2021 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount					
Premises	32,777	51,838	(41,797)	1,362	44,180
	32,777	51,838	(41,797)	1,362	44,180

2022	Balance as at 1.1.2022 RM	Addition RM	Re-measurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
Carrying amount						
Premises	44,180	47,411	(2,800)	(46,652)	1,551	43,690
	44,180	47,411	(2,800)	(46,652)	1,551	43,690

Represented by:	2020 RM	2021 RM	2022 RM
Current liabilities	32,777	44,180	23,189
Non-current liabilities	-	-	20,501
	32,777	44,180	43,690
Lease liabilities owing to non-financial institution	32,777	44,180	43,690

(a) Goody Technologies has certain leases of premises with lease term of 12 months or less, and low value leases of office equipment of RM20,000 and below. Goody Technologies applies the "short-term lease" and "lease of low-value assets" exemptions for these leases.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.2 LEASES (continued)

Goody Technologies as lessee (continued)

(b) The following are the amounts recognised in profit or loss:

	2020 RM	2021 RM	2022 RM
Depreciation charge of right-of-use assets (included in administration expenses)	30,254	38,727	44,585
Interest expense on lease liabilities (included in finance costs)	2,568	1,362	1,551
Expense relating to leases of low-value assets (included in administration expenses)	2,673	2,673	2,405
Gain on disposal of right-of-use assets (included in other income)	-	-	(69)
	35,495	42,762	48,472

(c) The following are total cash outflows for leases as a lessee:

	2020 RM	2021 RM	2022 RM
Included in net cash (used in)/from operating activities:			
Payment relating to short-term leases and low value assets	2,673	2,673	2,405
Included in net cash used in financing activities:			
Payment of lease liabilities	33,600	41,797	46,652
	36,273	44,470	49,057

(d) The weighted average interest rates of lease liabilities of Goody Technologies during the financial year were 6.47% (31.12.2021: 5.47%; 31.12.2020: 5.47%).

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 10.8.11 of this Report.

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.3 TRADE AND OTHER RECEIVABLES

	2020 RM	2021 RM	2022 RM
Trade receivables			
Third parties	433,930	13,274	705
Amount owing by immediate holding company	507,115	1,737,079	3,210,460
	941,045	1,750,353	3,211,165
Less: Impairment losses			
Third parties	(3,695)	(91)	(4)
Amount owing by immediate holding company	(7,354)	(28,745)	(93,904)
	929,996	1,721,517	3,117,257
Other receivables			
Third parties	17,484	18,967	25,954
Amount owing by related companies	-	1,242	44,448
Deposits	9,797	9,757	20,095
	27,281	29,966	90,497
Less: Impairment losses			
Other receivables	-	(898)	-
	27,281	29,068	90,497
Total trade and other receivables, net of prepayments	957,277	1,750,585	3,207,754
Prepayments	3,685	4,084	4,642
	960,962	1,754,669	3,212,396

(a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Goody Technologies range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) The currency exposure profile of trade and other receivables (net of prepayments) are as follows:

	2020 RM	2021 RM	2022 RM
Ringgit Malaysia	894,623	1,750,154	3,207,754
United States Dollar	62,654	431	-
	957,277	1,750,585	3,207,754

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.3 TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of Goody Technologies is as follows:

2020	**Gross carrying amount RM**	**Total allowance RM**	**Balance RM**
Current	311,291	(3,934)	307,357
Past due			
1 to 30 days	231,607	(2,990)	228,617
31 to 60 days	98,982	(1,219)	97,763
61 to 90 days	105,972	(1,296)	104,676
More than 91 days	193,193	(1,610)	191,583
	629,754	(7,115)	622,639
	941,045	(11,049)	929,996
2021			
Current	285,164	(4,714)	280,450
Past due			
1 to 30 days	245,000	(4,054)	240,946
31 to 60 days	173,440	(2,870)	170,570
61 to 90 days	243,338	(4,027)	239,311
More than 91 days	803,411	(13,171)	790,240
	1,465,189	(24,122)	1,441,067
	1,750,353	(28,836)	1,721,517
2022			
Current	301,863	(8,820)	293,043
Past due			
1 to 30 days	288,566	(8,440)	280,126
31 to 60 days	218,827	(6,401)	212,426
61 to 90 days	197,233	(5,769)	191,464
More than 91 days	2,204,676	(64,478)	2,140,198
	2,909,302	(85,088)	2,824,214
	3,211,165	(93,908)	3,117,257

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.3 TRADE AND OTHER RECEIVABLES (continued)

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of Goody Technologies are summarised in the table below:

	2020 RM	2021 RM	2022 RM
Maximum exposure	929,996	1,721,517	3,117,257
Collateral obtained	-	-	-
Net exposure to credit risk	929,996	1,721,517	3,117,257

(f) Movements in the impairment allowance for trade receivables are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	22,926	3,695	91
Written off	(14,050)	-	-
Charge for the financial years	3,695	91	4
Reversal of impairment losses	(8,876)	(3,695)	(91)
As at 31 December	3,695	91	4

(g) The reconciliation of movements in the impairment losses on amount owing by immediate holding company are as follows:

		Lifetime ECL	
	2020 RM	2021 RM	2022 RM
As at 1 January	-	7,354	28,745
Charge for the financial years	7,354	28,745	93,904
Reversal of impairment losses	-	(7,354)	(28,745)
At 31 December	7,354	28,745	93,904

(h) The reconciliation of movements in the impairment losses on other receivables are as follows:

		Lifetime ECL	
	2020 RM	2021 RM	2022 RM
As at 1 January	-	-	898
Charge for the financial years	-	898	-
Reversal of impairment losses	-	-	(898)
At 31 December	-	898	-

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.3 TRADE AND OTHER RECEIVABLES (continued)

(i) Information on financial risks of trade and other receivables is disclosed in Note 10.8.11 of this Report.

10.8.4 CONTRACT ASSETS/(LIABILITIES)

	2020 RM	2021 RM	2022 RM
Contract assets relating to contracts with customers	67,471	208,100	405,311
Less: Impairment losses	(1,028)	(4,635)	(7,707)
	66,443	203,465	397,604
Contract liabilities			
- Deferred income	(277,266)	(85,892)	(27,241)

(a) The contract assets primarily relate to Goody Technologies's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.

(b) A contract liabilities are stated at cost and represents the obligation of Goody Technologies to transfer services to customers for which consideration has been received from the customers.

(c) Revenue of RM27,241 (31.12.2021: RM85,892; 31.12.2020: RM277,266) are expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

	Current
2020	
Expected loss rate	1.524%
Gross carrying amount (RM)	67,471
Impairment (RM)	1,028
2021	
Expected loss rate	2.227%
Gross carrying amount (RM)	208,100
Impairment (RM)	4,635
2022	
Expected loss rate	1.902%
Gross carrying amount (RM)	405,311
Impairment (RM)	7,707

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.4 CONTRACT ASSETS/(LIABILITIES) (continued)

(e) Movements in the impairment allowance for contract assets are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	-	1,028	4,635
Charge for the financial year	1,028	4,635	7,707
Reversal of impairment losses	-	(1,028)	(4,635)
As at 31 December	1,028	4,635	7,707

(f) Information on financial risks of contract assets is disclosed in Note 10.8.11 of this Report.

10.8.5 CASH AND BANK BALANCES

	2020 RM	2021 RM	2022 RM
Cash and bank balances	170,390	357,380	60,244
Deposits with licensed banks	1,060	-	-
	171,450	357,380	60,244

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

(c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.

(d) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of each reporting period:

	2020 RM	2021 RM	2022 RM
Cash and bank balances	170,390	357,380	60,244
Deposits with licensed banks	1,060	-	-
	171,450	357,380	60,244
Less: Fixed deposits with maturity periods of more than 3 months pledged with licensed banks	(1,060)	-	-
	170,390	357,380	60,244

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.5 CASH AND BANK BALANCES (continued)

(e) Information on financial risks of cash and bank balances is disclosed in Note 10.8.11 of this Report.

10.8.6 SHARE CAPITAL

	2020	2021	2022
Number of ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	362,316	362,316	362,316

	2020 RM	2021 RM	2022 RM
Ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	362,316	362,316	362,316

The owners are entitled to receive dividends as and when declared by Goody Technologies and are entitled to one (1) vote per ordinary share at meetings of Goody Technologies. All ordinary shares rank pari passu with regard to the residual assets of Goody Technologies.

10.8.7 DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities are made up of the following:

	2020 RM	2021 RM	2022 RM
Balance as at 1 January	-	-	-
Recognised in profit or loss (Note 10.9.4)	-	-	2,220
Balance as at 31 December	-	-	2,220

	2020 RM	2021 RM	2022 RM
Presented after appropriate offsetting as follows:			
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	2,220
	-	-	2,220

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.7 DEFERRED TAX LIABILITIES (continued)

(b) Components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Property, plant and equipment RM	Others RM	Total RM
At 1 January 2022	-	-	-
Recognised in profit or loss	2,276	(56)	2,220
At 31 December 2022	2,276	(56)	2,220

10.8.8 TRADE AND OTHER PAYABLES

	2020 RM	2021 RM	2022 RM
Trade payables			
Third parties	11,869	-	1,693
Other payables and accruals			
Third parties	129,553	117,250	127
Accruals	419,577	555,718	585,870
Amount owing to immediate holding company	-	5,977	2,857
	549,130	678,945	588,854
	560,999	678,945	590,547

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to Goody Technologies range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice.

(c) Amount owing to immediate holding company is unsecured, non-interest bearing and payable on demand in cash and cash equivalents.

(d) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(e) The maturity profile of trade and other payables of Goody Technologies at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

(f) Information on financial risks of trade and other payables is disclosed in Note 10.8.11 of this Report.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.9 RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to Goody Technologies if Goody Technologies 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 Goody Technologies and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Goody Technologies include:

(i) iMedia Asia Sdn. Bhd., the immediate holding company;

(ii) Catcha Group Pte. Ltd., the ultimate holding company;

(iii) Catcha Digital Berhad, the penultimate holding company;

(iv) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;

(v) Key management personnel which comprises persons (including the Directors of the Goody Technologies) having authority and responsibility for planning, directing and controlling the activities of Goody Technologies directly or indirectly; and

(vi) Companies in which the directors and also the substantial shareholders of the ultimate holding company have controlling interest, significant influence or joint control.

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, the Goody Technologies had the following transactions with related parties during the financial period:

	2020 RM	**2021 RM**	**2022 RM**
iMedia Asia Sdn. Bhd.:			
- Sales	(367,091)	(2,562,727)	(3,274,335)
Moretify Sdn. Bhd.:			
- Rental expenses	-	(8,197)	(12,100)

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.9 RELATED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of Goody Technologies.

The remuneration of Directors and key management personnel of Goody Technologies during the financial years was as follows:

	2020 RM	2021 RM	2022 RM
Directors' fee	30,000	-	-
Directors' emoluments:			
- Short term employee benefits	208,929	377,700	217,700
- Contribution to defined contribution	26,772	39,924	26,319
- Other benefits	1,847	1,847	1,002
	267,548	419,471	245,021

10.8.10 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of Goody Technologies's capital management is to ensure that entities of Goody Technologies would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of Goody Technologies remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Goody Technologies manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, Goody Technologies may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

(b) Fair values measurement hierarchy and estimation

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 transactions 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.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.10 FINANCIAL INSTRUMENTS (continued)

(b) Fair values measurement hierarchy and estimation (continued)

When measuring the fair value of an asset or a liability, Goody Technologies uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Goody Technologies 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.

Goody Technologies recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.

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

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of Goody Technologies are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

10.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of Goody Technologies is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and the unpredictability of the financial markets.

Goody Technologies does not trade in derivative financial instruments. Goody Technologies is exposed mainly to foreign currency risk, liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Goody Technologies is exposed to transactional currency risk primarily through sales that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is United State Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis for foreign currency risk

Sensitivity analysis of RM against foreign currency at the end of the reporting year was not presented as the exposure is not significant.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risks

It is Goody Technologies's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to Goody Technologies's operations.

The table below summarises the maturity profile of the liabilities of Goody Technologies at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Trade and other payables	560,999	-	-	560,999
Lease liabilities	33,600	-	-	33,600
Total undiscounted financial liabilities	594,599	-	-	594,599
2021				
Trade and other payables	678,945	-	-	678,945
Lease liabilities	45,254	-	-	45,254
Total undiscounted financial liabilities	724,199	-	-	724,199
2022				
Trade and other payables	590,547	-	-	590,547
Lease liabilities	25,200	21,000	-	46,200
Total undiscounted financial liabilities	615,747	21,000	-	636,747

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF GOODY TECHNOLOGIES (continued)

10.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. Goody Technologies controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. Goody Technologies also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of Goody Technologies.

Cash deposits and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of Goody Technologies to monitor the financial standing of these counter parties on an ongoing basis to ensure that Goody Technologies is exposed to minimal credit risk.

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 10.8.3 and 10.8.4 of this Report. Deposits with banks and other financial institutions are neither past due nor impaired. These deposits are placed with or entered into with reputable financial institutions with no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of Goody Technologies is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period 31 December 2022, 31 December 2021 and 31 December 2020, Goody Technologies does not have any significant concentration of credit risk to any individual customer or counter party other than 99% (31.12.2021: 99%; 31.12.2020: 54%) of Goody Technologies's trade receivables as at reporting date was due from immediate holding company.

Goody Technologies do not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF GOODY TECHNOLOGIES

10.9.1 REVENUE

	2020 RM	2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of online advertising services	2,628,902	3,008,012	3,502,363
Timing of revenue recognition			
- Transferred over time	2,628,902	3,008,012	3,502,363

10.9.2 FINANCE COSTS

	2020 RM	2021 RM	2022 RM
Lease liabilities	2,568	1,362	1,551

10.9.3 PROFIT BEFORE TAX

Other than those disclosed elsewhere in the report, the profit before tax is arrived at:

	2020 RM	2021 RM	2022 RM
After charging:			
Auditors' remuneration	7,000	7,000	8,000
Bad debt written off	4,516	-	-
Loss on disposal of investment	6,521	-	-
Rental of office equipment	2,673	2,673	2,405
Loss on foreign exchange:			
- realised	8,391	8,082	34
- unrealised	2,278	-	-
Realised gain on foreign exchange	-	2,278	9

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF GOODY TECHNOLOGIES (continued)

10.9.3 PROFIT BEFORE TAX (continued)

Other than those disclosed elsewhere in the report, the profit before tax is arrived at: (continued)

	2020 RM	2021 RM	2022 RM
And crediting:			
Interest income from:			
- deposits with licensed banks	49	19	742

10.9.4 TAX EXPENSES

	2020 RM	2021 RM	2022 RM
Current tax expense based on profit for the financial year:			
Income tax	38,417	287,642	488,859
Under/(Over) provision in prior years	458	74,187	(2,871)
	38,875	361,829	485,988
Deferred tax (Note 10.8.7):			
- Relating to origination and reversal of temporary differences	-	-	1,005
- Under provision in prior years	-	-	1,215
	38,875	361,829	488,208

(a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000; 31.12.2019: RM500,000) of the chargeable income and 24% (31.12.2020: 24%; 31.12.2019: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year.

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10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF GOODY TECHNOLOGIES (continued)

10.9.4 TAX EXPENSES (continued)

(b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of Goody Technologies is as follows:

	2020 RM	2021 RM	2022 RM
Profit before tax	127,324	1,384,631	1,964,149
Tax at Malaysian statutory tax rate at 24%	30,558	332,311	471,396
Tax effects in respect of:			
- Non-allowable expenses	24,309	12,180	29,087
- Non-taxable income	-	(30,781)	(10,619)
- Reduction in statutory tax rate on chargeable income up to RM600,000/RM500,000	(15,819)	(42,000)	-
- Deferred tax assets not recognised	-	15,932	-
- Utilisation of previously unrecognised temporary differences	(631)	-	-
	38,417	287,642	489,864
Under/(Over) provision in prior years:			
- current tax	458	74,187	(2,871)
- deferred tax	-	-	1,215
	38,875	361,829	488,208

(c) The amounts of temporary differences for which no deferred tax assets have been recognised in the statements of financial position are as follows:

	2020 RM	2021 RM	2022 RM
Other temporary differences	61,331	127,716	-

Deferred tax assets of Goody Technologies have not been recognised in respect of these items as they are not probable that future taxable profits of Goody Technologies would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the local tax authority.

10. FINANCIAL INFORMATION OF GOODY TECHNOLOGIES (continued)

10.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF GOODY TECHNOLOGIES (continued)

10.9.5 EMPLOYEE BENEFITS

	2020 RM	2021 RM	2022 RM
Salaries, wages, bonus and allowances	1,119,146	942,724	901,181
Contributions to defined contribution plan	179,591	117,839	115,988
Other benefits	71,910	150,268	51,077
	1,370,647	1,210,831	1,068,246

Included in the employee benefits of Goody Technologies is Directors' remuneration amounting to RM245,021 (31.12.2021: RM419,471; 31.12.2020: RM267,548).

10.10 SIGNIFICANT EVENT DURING THE FINANCIAL YEARS

On 28 October 2020, the shareholders of Goody Technologies have entered into a Share Sale Purchase Agreement with iMedia Asia Sdn. Bhd. to sell approximately 60% of equity interest comprising of 217,391 ordinary shares in Goody Technologies for a total purchase consideration of RM1,860,000.

With effect from 9 November 2020, Goody Technologies became a subsidiary of iMedia Asia Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard iMedia Asia Sdn. Bhd., as Goody Technologies's immediate holding company.
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GOODY TECHNOLOGIES SDN. BHD. (201601032642 (1203583 - W))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of Goody Technologies Sdn. Bhd. ("Goody Technologies"), state that, in the opinion of the Directors, the financial information set out on pages 178 to 221 are drawn up so as to give a true and fair view of the financial position of Goody Technologies as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 June 2023.

....	....
Voon Tze Khay	**Tee Choon Wee**
Director	Director
16 June 2023	

11. FINANCIAL INFORMATION OF NARA MEDIA

11.1 STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA

	Note	2020 RM	2021 RM	2022 RM
ASSETS				
Non-current assets				
Plant and equipment	11.8.1	91,936	37,159	54,888
Right-of-use asset	11.8.2	73,568	136,500	203,709
		165,504	173,659	258,597
Current assets				
Trade and other receivables	11.8.3	166,997	727,062	1,408,450
Contract assets	11.8.4	85,449	118,404	252,854
Current tax assets		22,772	-	-
Cash and bank balances	11.8.5	125,480	227,204	118,981
		400,698	1,072,670	1,780,285
TOTAL ASSETS		566,202	1,246,329	2,038,882
EQUITY AND LIABILITIES				
Equity				
Share capital	11.8.6	2,000	2,000	2,000
Retained earnings		86,050	671,987	1,555,739
TOTAL EQUITY		88,050	673,987	1,557,739
Non-current liabilities				
Lease liabilities	11.8.2	5,972	81,489	69,914
Deferred tax liabilities	11.8.7	-	-	2,484
		5,972	81,489	72,398
Current liabilities				
Trade and other payables	11.8.8	34,476	375,180	135,645
Contract liabilities	11.8.4	-	6,000	-
Borrowings	11.8.9	368,188	-	-
Lease liabilities	11.8.2	69,516	55,011	135,718
Current tax liabilities		-	54,662	137,382
		472,180	490,853	408,745
TOTAL LIABILITIES		478,152	572,342	481,143
TOTAL EQUITY AND LIABILITIES		566,202	1,246,329	2,038,882

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF NARA MEDIA

	Note	2020 RM	2021 RM	2022 RM
Revenue	11.9.1	1,343,946	1,567,630	2,218,412
Cost of sales		(332,482)	-	-
Gross profit		1,011,464	1,567,630	2,218,412
Other income		23,560	9,313	4,641
Administrative expenses and other operating expenses		(1,301,180)	(829,849)	(924,144)
Net reversal/(losses) on impairment of financial assets		788	4,774	(37,298)
Sales and distribution expenses		(15,054)	(5,891)	(21,454)
Operating (loss)/profit		(280,422)	745,977	1,240,157
Finance costs	12.9.2	(34,341)	(8,745)	(5,673)
(Loss)/Profit before tax	12.9.3	(314,763)	737,232	1,234,484
Tax expenses	12.9.4	3,791	(151,295)	(350,732)
(Loss)/Profit after tax		(310,972)	585,937	883,752
Other comprehensive income, net of tax		-	-	-
Total comprehensive (loss)/income		(310,972)	585,937	883,752

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.3 STATEMENTS OF CHANGE IN EQUITY OF NARA MEDIA

	Shares capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2020	2,000	397,022	399,022
Loss for the financial year	-	(310,972)	(310,972)
Other comprehensive loss, net of tax	-	-	-
Total comprehensive loss	-	(310,972)	(310,972)
Balance as at 31 December 2020/ 1 January 2021	2,000	86,050	88,050
Profit for the financial year	-	585,937	585,937
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	585,937	585,937
Balance as at 31 December 2021/ 1 January 2022	2,000	671,987	673,987
Profit for the financial year	-	883,752	883,752
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	883,752	883,752
Balance as at 31 December 2022	2,000	1,555,739	1,557,739

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.4 STATEMENTS OF CASH FLOWS OF NARA MEDIA

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax		(314,763)	737,232	1,234,484
Adjustments for:				
Bad debt written off		598	-	147
Depreciation of plant and equipment	11.8.1	20,229	54,777	24,813
Depreciation of right-of-use assets	11.8.2	67,908	67,909	68,250
Gain on disposal of right-of- use assets		-	(313)	-
Impairment losses on:				
- contract assets	11.8.4(e)	933	982	2,105
- trade receivables	11.8.3(f)	4,457	1	-
- other receivables	11.8.3(h)	9,429	-	-
- immediate holding	11.8.3(g)	-	9,062	44,305
Interest expense	11.9.2	34,341	8,745	5,673
Reversal of impairment losses on:				
- contract assets	11.8.4(e)	-	(933)	(982)
- trade receivables	11.8.3(f)	(10,465)	(4,457)	(1)
- immediate holding	11.8.3(g)	-	-	(8,129)
- other receivables	11.8.3(h)	(5,142)	(9,429)	-
Waiver of debts		137,646	-	-
Operating (loss)/profit before changes in working capital		(54,829)	863,576	1,370,665
Changes in working capital:				
Contract assets		(67,609)	(33,004)	(134,640)
Contract liabilities		-	6,000	(6,000)
Trade and other receivables		27,240	(555,242)	(718,643)
Trade and other payables		4,939	340,704	(239,535)
Cash (used in)/generated from operations		(90,259)	622,034	271,847
Tax paid		(92,357)	(73,861)	(265,528)
Net cash (used in)/from operating activities		(182,616)	548,173	6,319

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.4 STATEMENTS OF CASH FLOWS OF NARA MEDIA (continued)

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM INVESTING ACTIVITY				
Purchase of plant and equipment, representing net cash used in investing activity	11.8.1	(5,107)	-	(42,542)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid		(28,048)	(6,261)	-
Drawdown of term loan		370,000	-	-
Repayments of term loan		(1,812)	(368,188)	-
Payments of lease liabilities	11.8.2	(72,000)	(72,000)	(72,000)
Net cash from/(used in)financing activities		268,140	(446,449)	(72,000)
Net increase/(decrease) in cash and cash equivalents		80,417	101,724	(108,223)
Cash and cash equivalents at beginning of financial year		45,063	125,480	227,204
Cash and cash equivalents at end of financial year	11.8.5	125,480	227,204	118,981

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2020 RM	2021 RM	2022 RM
Lease liabilities at 1 January		141,860	75,488	136,500
Cash flows				
- Payment of lease liabilities		(72,000)	(72,000)	(72,000)
Non-cash changes				
- Financed by lease		-	136,500	135,459
- Disposal of lease		-	-	-
- Re-measurement		(665)	(5,972)	-
- Unwinding of interest	11.9.2	6,293	2,484	5,673
Lease liabilities at 31 December	11.8.2	75,488	136,500	205,632

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.4 STATEMENTS OF CASH FLOWS OF NARA MEDIA (continued)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES **(continued)**

	Note	2020 RM	2021 RM	2022 RM
Term loan at 1 January		-	368,188	-
Cash flows		368,188	(368,188)	-
Term loan at 31 December	11.8.9	368,188	-	-

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

11.5.1 BASIS OF PREPARATION

The financial information of Nara Media for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The following accounting policies have been used consistently in the preparation of the historical financial information.

11.5.2 Basis of accounting

The historical financial information of Nara Media have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, 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 11.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

11.5.3 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to Nara Media and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Nara Media is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

	2020	**2021**	**2022**
Furniture and fittings	-	-	5 years
Computer and software	5 years	3 years	3 years
Office equipment	10 years	5 years	5 years
Renovation	10 years	5 years	5 years

The revision in estimation above have been applied prospectively with effect from 1 January 2020 and 1 January 2021 respectively. The effect of the above revision were accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of Nara Media for FYE 31 December 2020 has decreased by RM3,309 and for FYE 31 December 2021 has increased by RM34,325.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.3 Plant and equipment and depreciation (continued)

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

11.5.4 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(a) Leases of low value assets; and
(b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Nara Media's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(a) Amounts expected to be payable under any residual value guarantee;
(b) The exercise price of any purchase option granted in favour of Nara Media if it is reasonable certain to assess that option; and
(c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(a) Lease payments made at or before commencement of the lease;
(b) Initial direct costs incurred; and
(c) The amount of any provision recognised where Nara Media is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.4 Leases (continued)

When Nara Media revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When Nara Media renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

(a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
(b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
(c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to Nara Media to use an identified asset and require services to be provided to Nara Media by the lessor, Nara Media has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Identifying leases

Nara Media accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) Nara Media obtains substantially all the economic benefits from use of the asset; and
(c) Nara Media has the right to direct use of the asset.

Nara Media considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Nara Media obtains substantially all the economic benefits from use of the asset, Nara Media considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Nara Media has the right to direct use of the asset, Nara Media considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Nara Media considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, Nara Media applies other applicable MFRSs rather than MFRS 16.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.5 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

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

11.5.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to Nara Media.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to Nara Media.

Financial instruments are recognised on the statement of financial position when Nara Media has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.6 Financial instruments (continued)

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

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

Nara Media determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when Nara Media's right to receive payment is established.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.6 Financial instruments (continued)

(a) Financial assets (continued)

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by Nara Media in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, Nara Media become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by Nara Media that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for Nara Media's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.6 Financial instruments (continued)

(b) Financial liabilities (continued)

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

11.5.7 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

11.5.8 Equity

An equity instrument is any contract that evidences a residual interest in the assets of Nara Media after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.9 Impairment of financial assets

Nara Media recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. Nara Media applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Nara Media expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Nara Media considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of Nara Media's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

Impairment for trade receivables and contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables and contract assets. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, Nara Media assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.10 Borrowings costs

All other borrowing costs is recognised in profit or loss in the period in which they are incurred.

11.5.11 Income taxes

Income taxes include all domestic taxes, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which Nara Media operates and include all taxes based upon the taxable profits (including withholding taxes payable by Nara Media on distribution of retained earnings to Nara Media), and real property gains taxes payable on disposal of properties, if any.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(iii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where Nara Media expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If Nara Media has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

11.5.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Nara Media or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Nara Media does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Nara Media. Nara Media does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

11.5.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to Nara Media.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving Nara Media.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Nara Media makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.15 Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements of Nara Media are measured using the currency of the primary economic environment in which these entities operate ("the functional currency"). The financial statements are presented in Ringgit Malaysia, which is the functional and presentation currency of Nara Media.

(b) Foreign currency transactions and balances

Transactions in foreign currencies are converted into functional currency at rates of exchange ruling at the transaction dates. Monetary assets and liabilities in foreign currencies at the end of the reporting period are translated into functional currency at rates of exchange ruling at that date. All exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in profit or loss in the period in which they arise. Non-monetary items initially denominated in foreign currencies, which are carried at historical cost, are translated using the historical rate as of the date of acquisition, and non-monetary items, which are carried at fair value are translated using the exchange rate that existed when the values were determined for presentation currency purposes.

11.5.16 Revenue recognition

Nara Media recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of consideration to which Nara Media expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, Nara Media allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which Nara Media expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) Nara Media satisfies a performance obligation.

Nara Media satisfies a performance obligation and recognise revenue over time if Nara Media's performance:

(a) Does not create an asset with an alternative use to Nara Media and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as Nara Media performs.

When Nara Media satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.16 Revenue recognition (continued)

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

Projects

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

Nara Media determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, Nara Media estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that Nara Media would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of Nara Media does not create an asset with an alternative use to Nara Media and Nara Media has an enforceable right to payment for performance completed to date.

Nara Media recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by Nara Media. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

Nara Media identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. Nara Media also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, Nara Media considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

11.5.17 Fair value measurements

The fair value of an asset or a liability except for 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 fair value 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.

Nara Media measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. Nara Media has considered the following characteristics when determining its fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

11.5.17 Fair value measurements (continued)

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

11.5.18 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of Nara Media in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of Nara Media to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when Nara Media issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 11.5.9 of this Report for impairment approach of contract assets.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

11.6.1 New MFRSs adopted during the financial years

Nara Media adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of Nara Media.

11.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contract*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimate*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

Nara Media is still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

11.7.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the FYE 31 December 2020 and 31 December 2021, Nara Media revised the estimates of useful life of plant and equipment as disclosed in Note 11.5.3 of this Report.

The Directors are of the opinion that there are no other significant changes in estimates during the reporting period and at the end of the reporting period.

11.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of Nara Media that have a significant effect on the amounts recognised in the financial statements.

11.7.3 Key sources of estimation uncertainty

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

(a) Depreciation of plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Determination of the lease term for leases

Nara Media determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if Nara Media are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for Nara Media to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of Nara Media.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

11.7.3 Key sources of estimation uncertainty (continued)

(c) Impairment of trade receivables and financial assets

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. Nara Media adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting period.

(d) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Nara Media recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(e) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Nara Media measures financial instruments at fair value as disclosed in Note 11.8.11 of this Report.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.1 PLANT AND EQUIPMENT

2020	Balance as at 1.1.2020 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2020 RM
Carrying amount				
Computer and software	56,904	-	(14,714)	42,190
Office equipment	29,092	5,107	(3,309)	30,890
Renovation	21,062	-	(2,206)	18,856
	107,058	5,107	(20,229)	91,936

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	108,370	(66,180)	42,190
Office equipment	35,319	(4,429)	30,890
Renovation	22,062	(3,206)	18,856
	165,751	(73,815)	91,936

2021	Balance as at 1.1.2021 RM	Depreciation charge for the financial year RM	Balance as at 31.12.2021 RM
Carrying amount			
Computer and software	42,190	(35,966)	6,224
Office equipment	30,890	(11,561)	19,329
Renovation	18,856	(7,250)	11,606
	91,936	(54,777)	37,159

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.1 PLANT AND EQUIPMENT (continued)

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer and software	108,370	(102,146)	6,224
Office equipment	35,319	(15,990)	19,329
Renovation	22,062	(10,456)	11,606
	165,751	(128,592)	37,159

2022	Balance as at 1.1.2022 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2022 RM
Carrying amount				
Furniture and fittings	-	1,731	-	1,731
Computer and software	6,224	29,387	(12,713)	22,898
Office equipment	19,329	2,224	(7,894)	13,659
Renovation	11,606	9,200	(4,206)	16,600
	37,159	42,542	(24,813)	54,888

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Furniture and fittings	1,731	-	1,731
Computer and software	137,757	(114,859)	22,898
Office equipment	37,543	(23,884)	13,659
Renovation	31,262	(14,662)	16,600
	208,293	(153,405)	54,888

11. **FINANCIAL INFORMATION OF NARA MEDIA (continued)**

11.8 **NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)**

11.8.2 **LEASES**

Nara Media as lessee

<u>Right-of-use assets</u>

2020	Balance as at 1.1.2020 RM	Re-measurement RM	Depreciation RM	Balance as at 31.12.2020 RM
Carrying amount				
Premises	142,141	(665)	(67,908)	73,568
	142,141	(665)	(67,908)	73,568

2021	Balance as at 1.1.2021 RM	Addition RM	Re-measurement RM	Depreciation RM	Balance as at 31.12.2021 RM
Carrying amount					
Premises	73,568	136,500	(5,659)	(67,909)	136,500
	73,568	136,500	(5,659)	(67,909)	136,500

2022	Balance as at 1.1.2022 RM	Addition RM	Depreciation RM	Balance as at 31.12.2022 RM
Carrying amount				
Premises	136,500	135,459	(68,250)	203,709
	136,500	135,459	(68,250)	203,709

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.2 LEASES (continued)

Nara Media as lessee (continued)

Lease liabilities

2020	Balance as at 1.1.2020 RM	Re-measurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount					
Premises	141,860	(665)	(72,000)	6,293	75,488
	141,860	(665)	(72,000)	6,293	75,488

2021	Balance as at 1.1.2021 RM	Addition RM	Re-measurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount						
Premises	75,488	136,500	(5,972)	(72,000)	2,484	136,500
	75,488	136,500	(5,972)	(72,000)	2,484	136,500

2022	Balance as at 1.1.2022 RM	Addition RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
Carrying amount					
Premises	136,500	135,459	(72,000)	5,673	205,632
	136,500	135,459	(72,000)	5,673	205,632

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.2 LEASES (continued)

Nara Media as lessee (continued)

Represented by:	**2020 RM**	**2021 RM**	**2022 RM**
Current liabilities	69,516	55,011	135,718
Non-current liabilities	5,972	81,489	69,914
	75,488	136,500	205,632
Lease liabilities owing to non-financial institution	75,488	136,500	205,632

(a) Nara Media has certain leases of low value leases of office equipment of RM20,000 and below. Nara Media applies the "lease of low-value assets" exemptions for these leases.

(b) The following are the amounts recognised in profit or loss:

	2020 RM	**2021 RM**	**2022 RM**
Depreciation charge of right-of-use assets (included in administration expenses)	67,908	67,909	68,250
Interest expense on lease liabilities (included in finance costs)	6,293	2,484	5,673
Expense relating to short-term leases (included in administration expenses)	979	45	45
Gain on remeasurement (included in other income)	-	313	-
	75,180	70,751	73,968

(c) The following are total cash outflows for leases as a lessee:

	2020 RM	**2021 RM**	**2022 RM**
Included in net cash from operating activities:			
Payment relating to short-term leases and low value assets	979	45	45
Included in net cash from financing activities:			
Payment of lease liabilities	72,000	72,000	72,000
	72,979	72,045	72,045

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.2 LEASES (continued)

Nara Media as lessee (continued)

(d) The weighted average interest rates of lease liabilities of Nara Media during the financial year were 6.47% (31.12.2021: 5.40%; 31.12.2020: 5.40%).

(e) Nara Media leases a lease contracts that include extension and termination options. This is used to maximise operational flexibility in terms of managing the assets used in the Nara Media's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(f) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(g) Information on financial risks of lease liabilities is disclosed in Note 11.8.12 of this Report.

11.8.3 TRADE AND OTHER RECEIVABLES

	2020 RM	**2021 RM**	**2022 RM**
Trade receivables			
Third parties	148,664	147	-
Amount owing by immediate holding company	22,790	735,849	1,437,322
	171,454	735,996	1,437,322
Less: Impairment losses			
Third parties	(4,457)	(1)	-
Amount owing by immediate holding company	-	(9,062)	(45,238)
	166,997	726,933	1,392,084
Other receivables			
Third parties	10,000	571	571
	10,000	571	571
Less: Impairment loss on			
Third parties	(10,000)	(571)	(571)
	-	-	-
Deposits	-	-	8,000
Total trade and other receivables, net of prepayments	166,997	726,933	1,400,084
Prepayments	-	129	8,366
Total trade and other receivables	166,997	727,062	1,408,450

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.3 TRADE AND OTHER RECEIVABLES (continued)

(a) Trade and other receivables (excluding prepayments) are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Nara Media range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) The currency exposure profile of trade and other receivables (net of prepayments) are as follows:

	2020 RM	2021 RM	2022 RM
Ringgit Malaysia	164,750	726,786	1,392,084
United States Dollar	2,247	147	-
	166,997	726,933	1,392,084

(d) The ageing analysis of trade receivables of Nara Media is as follows:

2020	Gross carrying amount RM	Total allowance RM	Balance RM
Current	54,743	(284)	54,459
Past due			
1 to 30 days	95,600	(610)	94,990
31 to 60 days	17,661	(113)	17,548
61 to 90 days	-	-	-
More than 91 days	3,450	(3,450)	-
	116,711	(4,173)	112,538
	171,454	(4,457)	166,997

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.3 TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of Nara Media is as follows: (continued)

2021	**Gross carrying amount RM**	**Total allowance RM**	**Balance RM**
Current	218,783	(2,694)	216,089
Past due			
1 to 30 days	85,736	(1,056)	84,680
31 to 60 days	117,606	(1,448)	116,158
61 to 90 days	104,916	(1,293)	103,623
More than 91 days	208,955	(2,572)	206,383
	517,213	(6,369)	510,844
	735,996	(9,063)	726,933

2022	**Gross carrying amount RM**	**Total allowance RM**	**Balance RM**
Current	230,095	(7,242)	222,853
Past due			
1 to 30 days	76,114	(2,396)	73,718
31 to 60 days	168,225	(5,295)	162,930
61 to 90 days	92,668	(2,917)	89,751
More than 91 days	870,220	(27,388)	842,832
	1,207,227	(37,996)	1,169,231
	1,437,322	(45,238)	1,392,084

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.3 TRADE AND OTHER RECEIVABLES (continued)

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of Nara Media are summarised in the table below:

	2020 RM	2021 RM	2022 RM
Maximum exposure	166,997	726,933	1,392,084
Collateral obtained	-	-	-
Net exposure to credit risk	166,997	726,933	1,392,084

(f) Movements in the impairment allowance for trade receivables are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	10,465	4,457	1
Charge for the financial year	4,457	1	-
Reversal of impairment losses	(10,465)	(4,457)	(1)
As at 31 December	4,457	1	-

(g) Movements in the impairment allowance for trade amount owing by immediate holding company are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	-	-	9,062
Charge for the financial year	-	9,062	44,305
Reversal of impairment losses	-	-	(8,129)
As at 31 December	-	9,062	45,238

(h) The reconciliation of movements in the impairment losses on other receivables and amounts due from Directors are as follows:

	12-month ECL RM	Lifetime ECL Not credit impaired RM	Credit impaired RM	Total RM
At 1 January 2020	-	5,713	-	5,713
Charge for the financial year	-	-	9,429	9,429
Reclassification	-	(571)	571	-
Reversal of impairment loss	-	(5,142)	-	(5,142)
At 31 December 2020	-	-	10,000	10,000

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.3 TRADE AND OTHER RECEIVABLES (continued)

(h) The reconciliation of movements in the impairment losses on other receivables and amounts due from Directors are as follows: (continued)

	12-month ECL RM	Lifetime ECL Not credit impaired RM	Credit impaired RM	Total RM
At 1 January 2021	-	-	10,000	10,000
Reversal of impairment loss	-	-	(9,429)	(9,429)
At 31 December 2021	-	-	571	571
At 1 January/31 December 2022	-	-	571	571

(i) Information on financial risks of trade and other receivables is disclosed in Note 11.8.12 of this Report.

11.8.4 CONTRACT ASSETS/ (LIABILITIES)

	2020 RM	2021 RM	2022 RM
Contract assets relating to contracts with customers	86,382	119,386	254,959
Less: Impairment losses	(933)	(982)	(2,105)
	85,449	118,404	252,854
Contract liabilities			
- Deferred income	-	(6,000)	-

(a) The contract assets primarily relate to Nara Media's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.

(b) Contract liabilities are stated at cost and represents the obligation of Nara Media to transfer services to customers for which consideration has been received from the customers.

(c) Revenue of RM6,000 are expected to be recognised within the next twelve (12) months in the future in respect of unsatisfied contract liabilities as at the end of the reporting period.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.4 CONTRACT ASSETS (continued)

(d) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

	Current
2020	
Expected loss rate	1.08%
Gross carrying amount (RM)	86,382
Impairment (RM)	933
2021	
Expected loss rate	0.822%
Gross carrying amount (RM)	119,386
Impairment (RM)	982
2022	
Expected loss rate	0.826%
Gross carrying amount (RM)	254,959
Impairment (RM)	2,105

(e) Movements in the impairment allowance for contract assets are as follows:

	2020 RM	**2021 RM**	**2022 RM**
As at 1 January	-	933	982
Charge for the financial year	933	982	2,105
Reversal of impairment losses	-	(933)	(982)
As at 31 December	933	982	2,105

(f) Information on financial risks of contract assets is disclosed in Note 11.8.12 of this Report.

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.5 CASH AND BANK BALANCES

	2020 RM	2021 RM	2022 RM
Cash and bank balances	125,480	227,204	118,981

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

(c) No expected credit losses are recognised arising from the deposits with financial institutions because the probability of default by these financial institutions are negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 11.8.12 of this Report.

11.8.6 SHARE CAPITAL

	2020	2021	2022
Number of ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,000	2,000	2,000

	2020 RM	2021 RM	2022 RM
Ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,000	2,000	2,000

The owners are entitled to receive dividends as and when declared by Nara Media and are entitled to one (1) vote per ordinary share at meetings of Nara Media. All ordinary shares rank pari passu with regard to the residual assets of Nara Media.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.7 DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities are made up of the following:

	2020 RM	2021 RM	2022 RM
Balance as at 1 January	13,012	-	-
Recognised in profit or loss (Note 11.9.4)	(13,012)	-	2,484
Balance as at 31 December	-	-	2,484
Presented after appropriate offsetting as follows:			
Deferred tax assets	-	-	-
Deferred tax liabilities	-	-	2,484
	-	-	2,484

(b) Components and movements of deferred tax liabilities during the financial year are as follows:

Deferred tax assets and deferred tax liabilities of Nara Media

	Plant and equipment RM	Unabsorbed capital allowance RM	Total RM
At 1 January 2020	13,012	-	13,012
Recognised in profit or loss	(13,012)	-	(13,012)
At 31 December 2020	-	-	-
At 1 January 2021	-	-	-
Recognised in profit or loss	-	-	-
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Recognised in profit or loss	3,021	(537)	2,484
At 31 December 2022	3,021	(537)	2,484

(c) Unrecognised deferred tax assets

The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	2020 RM	2021 RM	2022 RM
Other temporary differences	5,287	22,130	-

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.7 DEFERRED TAX LIABILITIES (continued)

(c) Unrecognised deferred tax assets (continued)

Deferred tax assets have not been recognised in respect of these items as it is not probable that taxable profits of the Company would be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the tax authority.

11.8.8 TRADE AND OTHER PAYABLES

	2020 RM	2021 RM	2022 RM
Trade payables			
Third parties	2,012	-	-
Other payables and accruals			
Third parties	23,531	5,101	8,376
Accruals	8,933	88,326	100,097
Amount owing to an immediate holding company	-	281,132	10,083
Amount owing to a related company	-	621	17,089
	32,464	375,180	135,645
	34,476	375,180	135,645

(a) Trade and other payables are classified as financial liabilities measured at amortised cost.

(b) Trade payables are non-interest bearing and the normal trade credit terms granted to Nara Media range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice.

(c) Non-trade amount owing to an immediate holding and related company represents payments made on behalf which are unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.

(d) Trade and other payables are denominated in Ringgit Malaysia ("RM").

(e) The maturity profile of trade and other payables of Nara Media at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

(f) Information on financial risks of trade and other payables is disclosed in Note 11.8.12 of this Report.

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Kuala Lumpur

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.9 BORROWINGS (continued)

	2020 RM	2021 RM	2022 RM
Current liability:			
Term loan	368,188	-	-

(a) Term loan is classified as financial liabilities measured at amortised cost.

(b) Term loan is denominated in Ringgit Malaysia ("RM").

(c) The term loan of Nara Media was secured by:

(i) Asset Sale Agreement for RM536,314.25 over Shariah compliant commodities determined by the Bank as per the e-certificate or such other evidence of ownership maintained by the Bank for the Facility;

(ii) letter of Guarantee from Credit Guarantee Corporation Malaysia Berhad (CGC) under Portfolio Guarantee (PG) for RM259,000; and

(iii) jointly and severally guaranteed by Mohd Shahzeeq Bin Mohd Shahren, Fadzlin Binti Zulkiflee and Ahmad Nazuwan Bin Amran, shareholders of the Nara Media.

The term loan was fully repaid during the financial year ended 31 December 2021.

(d) Information on financial risks of borrowings is disclosed in Note 11.8.12 of this Report.

11.8.10 RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to Nara Media if Nara Media 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 Nara Media and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of Nara Media includes:

(i) iMedia Asia Sdn. Bhd., the immediate holding company;

(ii) Catcha Group Pte. Ltd., the ultimate holding company;

(iii) Catcha Digital Berhad, the penultimate holding company;

(iv) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;

(v) Key management personnel which comprises persons (including the Directors of the Nara Media) having authority and responsibility for planning, directing and controlling the activities of Nara Media directly or indirectly; and

(vi) Companies in which the directors and also the substantial shareholders of the ultimate holding company have controlling interest, significant influence or joint control.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.10 RELATED PARTIES DISCLOSURES (continued)

(b) Significant related party transactions

In addition to the transactions and balances detailed elsewhere in the financial statements, Nara Media had the following transactions with related parties during the financial year:

	2020 RM	2021 RM	2022 RM
Director:			
- Waiver of debts	137,646	-	-
iMedia Asia Sdn. Bhd.			
- Sales transactions	-	(1,207,771)	(1,821,248)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any directors (whether executive or otherwise) of Nara Media.

The remuneration of Directors and key management personnel of Nara Media during the financial years was as follows:

	2020 RM	2021 RM	2022 RM
Directors' remuneration	554,000	276,443	263,400
Other benefits	180,400	-	32,610
	734,400	276,443	296,010

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.11 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of Nara Media's capital management is to ensure that entities of Nara Media would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of Nara Media remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Nara Media manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, Nara Media may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Nara Media monitors capital on the basis of its gearing ratio which is total external debts divided by shareholders' funds. External debts comprise borrowings and lease liabilities, less cash and cash equivalents. Shareholders' funds represent total equity.

	2020 RM	2021 RM	2022 RM
Borrowings (Note 11.8.9)	368,188	-	-
Lease liabilities	75,488	136,500	205,632
Less: Cash and cash equivalents	(125,480)	(227,204)	(118,981)
	318,196	(90,704)	86,651
Total equity	88,050	673,987	1,557,739
Gearing ratio (times)	3.61	N/A	5.56

Nara Media is not subject to any externally imposed capital requirements.

(b) Fair values measurement hierarchy and estimation

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 transactions 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.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.11 FINANCIAL INSTRUMENTS

(b) Fair values measurement hierarchy and estimation (continued)

When measuring the fair value of an asset or a liability, Nara Media uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Nara Media 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 indirectl

Level 3: Unobservable inputs for the asset or liability.

Nara Media recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.

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

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of Nara Media are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

11.8.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of Nara Media is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and the unpredictability of the financial markets.

Nara Media does not trade in derivative financial instruments. Nara Media is exposed mainly to foreign currency risk, liquidity and cash flow risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

(i) Foreign currency risk

Nara Media is exposed to transactional currency risk primarily through sales that are denominated in a currency other than the functional currency of the operations to which they relate. The currency giving rise to this risk is United States Dollar (USD). Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

Sensitivity analysis for foreign currency risk

Sensitivity analysis of RM against foreign currency at the end of the reporting period was not presented as the exposure is not significant.

(ii) Liquidity and cash flow risks

It is Nara Media's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to Nara Media's operations.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the liabilities of Nara Media at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Trade and other payables	34,476	-	-	34,476
Borrowings	374,460	-	-	374,460
Lease liabilities	72,000	6,000	-	78,000
Total undiscounted financial liabilities	480,936	6,000	-	486,936
2021				
Other payables	375,180	-	-	375,180
Lease liabilities	72,000	72,000	-	144,000
Total undiscounted financial liabilities	447,180	72,000	-	519,180
2022				
Other payables	135,645	-	-	135,645
Lease liabilities	144,000	72,000	-	216,000
Total undiscounted financial liabilities	279,645	72,000	-	351,645

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. Nara Media controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. Nara Media also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of Nara Media.

Cash deposits, contract assets and trade and other receivables could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of Nara Media to monitor the financial standing of these counter parties on an ongoing basis to ensure that Nara Media is exposed to minimal credit risk.

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 11.8.3 and 11.8.4 of this Report respectively. Deposits with banks and other financial institutions are neither past due nor impaired. These deposits are placed with or entered into with reputable financial institutions with no history of default.

11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF NARA MEDIA (continued)

11.8.12 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(iii) Credit risk (continued)

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of Nara Media is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period 31 December 2022, 31 December 2021 and 31 December 2020, Nara Media does not have any significant exposure to any individual customer or counterparty other than 100% (31.12.2021: 99%; 31.12.2020: 93%) of Nara Media's trade receivables as at reporting date were due from immediate holding company (31.12.2021: immediate holding company; 31.12.2020: two (5)) major customers. Nara Media do not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

Sensitivity analysis for interest rate risk

Sensitivity analysis of interest rate for floating rate instruments at the end of the reporting period, assuming that all other variables remain constant, are as follows:

	2020 RM	2021 RM	2022 RM
(Loss)/Profit after taxation			
- Increased by 0.5%	(1,399)	-	-
- Decreased by 0.5%	1,399	-	-

11.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF NARA MEDIA

11.9.1 REVENUE

	2020 RM	2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of electronic advertising services	1,343,946	1,567,630	2,218,412
Timing of revenue recognition			
- Transferred over time	1,343,946	1,567,630	2,218,412

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF NARA MEDIA (continued)

11.9.2 FINANCE COSTS

	2020 RM	2021 RM	2022 RM
Lease liabilities	6,293	2,484	5,673
Term loan	28,048	6,261	-
	34,341	8,745	5,673

11.9.3 (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the report, the (loss)/profit before tax is arrived at:

	2020 RM	2021 RM	2022 RM
After charging:			
Auditors' remuneration	5,000	5,000	6,000
Bad debt written off	598	-	147
Rental of equipment	979	45	45
Realised loss on foreign exchange	-	696	-
Waiver of debts	137,646	-	-
And crediting:			
Realised gain on foreign exchange	74	-	-

11.9.4 TAX EXPENSES

	2020 RM	2021 RM	2022 RM
Current tax expense based on (loss)/profit for the financial year:			
Income tax	-	157,284	315,288
Under/(Over) provision in prior years	9,221	(5,989)	32,960
	9,221	151,295	348,248

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF NARA MEDIA (continued)

11.9.4 TAX EXPENSES (continued)

	2020 RM	2021 RM	2022 RM
Deferred tax (Note 11.8.7)			
Relating to origination and reversal of temporary differences	(13,343)	(12,162)	373
Under provision in prior years	331	12,162	2,111
	(13,012)	-	2,484
	(3,791)	151,295	350,732

(a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income and 24% (31.12.2021: 24%; 31.12.2020: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate of Nara Media is as follows:

	2020 RM	2021 RM	2022 RM
(Loss)/Profit before tax	(314,763)	737,232	1,234,484
Tax at Malaysian statutory tax rate at 24%	(75,543)	176,936	296,276
Tax effects in respect of:			
- Non-allowable expenses	36,297	4,155	19,385
- Reduction in statutory tax rate on chargeable income up to RM500,000/RM600,000	-	(42,000)	-
- Deferred tax assets not recognised	25,903	6,031	-
	(13,343)	145,122	315,661
Under/(Over) provision in prior years:			
- current tax	9,221	(5,989)	32,960
- deferred tax	331	12,162	2,111
	(3,791)	151,295	350,732

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11. FINANCIAL INFORMATION OF NARA MEDIA (continued)

11.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF NARA MEDIA (continued)

11.9.5 EMPLOYEE BENEFITS

	2020 RM	2021 RM	2022 RM
Salaries, wages, bonus and allowances	840,596	499,167	287,195
Contributions to defined contribution plan	10,089	50,695	34,860
Other benefits	1,483	2,981	12,955
	852,168	552,843	335,010

Included in the employee benefits of Nara Media are Director's remuneration amounting to RM296,010 (31.12.2021: RM276,443; 31.12.2020: RM544,160).

11.10 SIGNIFICANT EVENT DURING THE FINANCIAL YEARS

On 3 November 2020, the shareholders of Nara Media have entered into a Share Sale Purchase Agreement with iMedia Asia Sdn. Bhd. to sell 90% of equity interest comprising of 1,800 ordinary shares in Nara Media for a total purchase consideration of RM4,815,000.

With effect from 23 December 2020, Nara Media became a subsidiary of iMedia Asia Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard iMedia Asia Sdn. Bhd., as Nara Media's immediate holding company.

NARA MEDIA SDN. BHD. (201301010217 (1040059 - W))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of Nara Media Sdn. Bhd. ("Nara Media"), state that, in the opinion of the Directors, the financial information set out on pages 223 to 267 are drawn up so as to give a true and fair view of the financial position of Nara Media as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 June 2023.

....	....
Voon Tze Khay	**Tee Choon Wee**
Director	Director
16 June 2023	

12. FINANCIAL INFORMATION OF MORETIFY

12.1 STATEMENTS OF FINANCIAL POSITION OF MORETIFY

	Note	2020 RM	2021 RM	2022 RM
ASSETS				
Non-current assets				
Plant and equipment	12.8.1	85,229	25,545	17,015
Right-of-use asset	12.8.2	85,083	47,707	78,971
		170,312	73,252	95,986
Current assets				
Trade and other receivables	12.8.3	45,609	298,144	494,004
Contract assets	12.8.4	5,117	52,496	109,055
Cash and bank balances	12.8.5	2,377	29,276	63,578
		53,103	379,916	666,637
TOTAL ASSETS		223,415	453,168	762,623
EQUITY AND LIABILITIES				
Equity				
Share capital	12.8.6	2,500	2,500	2,500
Retained earnings		94,704	335,142	584,669
TOTAL EQUITY		97,204	337,642	587,169
Non-current liabilities				
Deferred tax liabilities	12.8.7	5,411	-	718
Lease liabilities	12.8.2	51,042	13,446	39,091
		56,453	13,446	39,809
Current liabilities				
Other payables and accruals	12.8.8	11,407	43,965	70,764
Lease liabilities	12.8.2	37,717	37,595	40,088
Current tax liabilities		20,634	20,520	24,793
		69,758	102,080	135,645
TOTAL LIABILITIES		126,211	115,526	175,454
TOTAL EQUITY AND LIABILITIES		223,415	453,168	762,623

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.2 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MORETIFY

	Note	2020 RM	2021 RM	2022 RM
Revenue	12.9.1	418,452	757,580	857,274
Cost of sales		(63,139)	(15,000)	(17,802)
Gross profit		355,313	742,580	857,472
Other income		-	8,218	13,367
Net reversal/(losses) on impairment of financial assets		9,193	(4,156)	(8,784)
Administrative expenses and other operating expenses		(497,035)	(444,486)	(521,923)
Operating (loss)/profit		(132,529)	302,156	340,132
Finance costs	12.9.2	(3,809)	(3,682)	(1,968)
(Loss)/Profit before tax	12.9.3	(136,338)	298,474	338,164
Tax expenses	12.9.4	(15,532)	(58,036)	(88,637)
(Loss)/Profit after tax		(151,870)	240,438	249,527
Other comprehensive (loss)/income, net of tax		-	-	-
Total comprehensive (loss)/income		(151,870)	240,438	249,527

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.3 STATEMENTS OF CHANGE IN EQUITY OF MORETIFY

	Shares capital RM	Distributable Retained earnings RM	Total equity RM
Balance as at 1 January 2020	2,500	246,574	249,074
Loss for the financial year	-	(151,870)	(151,870)
Other comprehensive loss, net of tax	-	-	-
Total comprehensive loss	-	(151,870)	(151,870)
Balance as at 31 December 2020/ 1 January 2021	2,500	94,704	97,204
Profit for the financial year	-	240,438	240,438
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	240,438	240,438
Balance as at 31 December 2021/ 1 January 2022	2,500	335,142	337,642
Profit for the financial year	-	249,527	249,527
Other comprehensive income, net of tax	-	-	-
Total comprehensive income	-	249,527	249,527
Balance as at 31 December 2022	2,500	584,669	587,169

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.4 STATEMENTS OF CASH FLOWS OF MORETIFY

	Note	2020 RM	2021 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/Profit before tax		(136,338)	298,474	338,164
Adjustments for:				
Depreciation of plant and equipment	12.8.1	11,754	59,684	19,721
Depreciation of right-of-use assets	12.8.2	37,329	37,376	37,696
Gain on remeasurement of right-of-use assets		-	-	(1,191)
Impairment losses on:				
- contract assets	12.8.4(c)	-	243	506
- trade receivables	12.8.3(f)	-	3,913	12,434
Reversal of impairment losses on:				
- contract assets	12.8.4(c)	(236)	-	(243)
- trade receivables	12.8.3(f)	(428)	-	(3,913)
- other receivables	12.8.3(g)	(8,529)	-	-
Interest expense	12.9.2	3,809	3,682	1,968
Waiver of advances to a Director		240,389	-	-
Operating profit before changes in working capital		147,750	403,372	405,142
Changes in working capital:				
Contract assets		29,289	(47,622)	(56,822)
Trade and other receivables		5,670	(256,448)	(204,381)
Other payable and accruals		(4,320)	32,558	26,799
Cash generated from operations		178,389	131,860	170,738
Tax paid		(39,895)	(63,561)	(83,646)
Net cash from operating activities		138,494	68,299	87,092
CASH FLOWS FROM INVESTING ACTIVITY				
Purchase of plant and equipment, representing net cash used in investing activity	12.8.1	-	-	(11,191)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment to a Director		(99,477)	-	-
Payments of lease liabilities	12.8.2	(41,400)	(41,400)	(41,599)
Net cash used in financing activities		(140,877)	(41,400)	(41,599)

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.4 STATEMENTS OF CASH FLOWS OF MORETIFY (continued)

	Note	2020 RM	2021 RM	2022 RM
Net (decrease)/increase in cash and cash equivalents		(2,383)	26,899	34,302
Cash and cash equivalents at beginning of financial year		4,760	2,377	29,276
Cash and cash equivalents at end of financial year	12.8.5	2,377	29,276	63,578

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Note	2020 RM	2021 RM	2022 RM
Lease liabilities at 1 January		87,922	88,759	51,041
Cash flows				
- Payment of lease liabilities		(41,400)	(41,400)	(41,599)
Non-cash changes				
- Unwinding of interest	12.9.2	3,809	3,682	1,968
- Remeasurement of lease		38,428	-	(14,636)
- Addition of lease		-	-	82,405
Lease liabilities at 31 December	12.8.2	88,759	51,041	79,179

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

12.5.1 BASIS OF PREPARATION

The financial information of Moretify for the FYEs 31 December 2020, 31 December 2021 and 31 December 2022 have been prepared in accordance with MFRSs.

The following accounting policies have been used consistently in the preparation of the historical financial information.

12.5.2 Basis of accounting

The historical financial information of Moretify have been prepared under the historical cost convention except as otherwise stated in the historical financial information.

The preparation of these financial information in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, 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 12.7 of this Report. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

12.5.3 Plant and equipment and depreciation

All items of plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the subsequent costs would flow to Moretify and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which Moretify is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has a different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

	2020	**2021**	**2022**
Renovation and electrical installation	10 years	5 years	5 years
Computer and office equipment	10 years	3 - 5 years	3 - 5 years
Furniture and fittings	10 years	5 years	5 years
Security system	10 years	5 years	5 years
Signboard	10 years	5 years	5 years

The revision in estimation above have been applied prospectively with effect from 1 January 2021. The effect of the above revision were accounted for prospectively as a change in accounting estimate and as result, the depreciation charge of Moretify for FYE 31 December 2021 has increased by RM 50,009.

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.3 Plant and equipment and depreciation (continued)

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is recognised in profit or loss.

12.5.4 Leases

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

(a) Leases of low value assets; and
(b) Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case Moretify's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(a) Amounts expected to be payable under any residual value guarantee;
(b) The exercise price of any purchase option granted in favour of Moretify if it is reasonable certain to assess that option; and
(c) Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

(a) Lease payments made at or before commencement of the lease;
(b) Initial direct costs incurred; and
(c) The amount of any provision recognised where Moretify is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.4 Leases (continued)

When Moretify revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When Moretify renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

(a) If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
(b) In all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount; and
(c) If the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to Moretify to use an identified asset and require services to be provided to Moretify by the lessor, Moretify has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

<u>Identifying leases</u>

Moretify accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

(a) There is an identified asset;
(b) Moretify obtains substantially all the economic benefits from use of the asset; and
(c) Moretify has the right to direct use of the asset.

Moretify considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease.

In determining whether Moretify obtains substantially all the economic benefits from use of the asset, Moretify considers only the economic benefits that arise use of the asset, not those incidental to legal ownership or other potential benefits.

In determining whether Moretify has the right to direct use of the asset, Moretify considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, Moretify considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, Moretify applies other applicable MFRSs rather than MFRS 16.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.5 Impairment of non-financial assets

The carrying amount of assets, except for financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating units ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, including the goodwill, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated, first, to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss on assets is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

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

12.5.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to Moretify.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to Moretify.

Financial instruments are recognised on the statement of financial position when Moretify has become a party to the contractual provisions of the instrument. At initial recognition, an entity shall measure a financial asset (unless it is a trade receivable that does not contain a significant financing component measured at the transaction price) or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.6 Financial instruments (continued)

(a) Financial assets

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

Moretify determine the classification of financial assets upon initial recognition. The measurement for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process. Financial assets are carried net of impairment losses if any.

(ii) Financial assets measured at fair value

Financial assets that are debt instruments are measured at Fair Value Through Other Comprehensive Income ("FVTOCI"), if they are held within a business model whose objectives are to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI are measured at FVTPL.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in profit or loss. Dividends on equity instruments are recognised in profit or loss when Moretify's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.6 Financial instruments (continued)

(a) Financial assets (continued)

Cash and bank balances are measured at amortised cost. Cash and cash equivalents consist of cash at bank and on hand, deposits with licensed banks, short term funds and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less and are used by Moretify in the management of its short term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using settlement date accounting.

(b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, Moretify become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by Moretify that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss except for Moretify's own credit risk increase or decrease which is recognised in other comprehensive income. Net gain or losses on derivatives include exchange differences.

(ii) Financial liabilities at amortised cost

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

On issue of a financial instrument that contains both a liability and an equity component, the fair value of the liability portion is determined using a market interest rate for an equivalent financial instrument; this amount is carried as a liability on an amortised cost basis until extinguished on conversion or maturity of the instrument. The remainder of the proceeds is allocated to the conversion option which is recognised and included in equity.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.6 Financial instruments (continued)

(b) Financial liabilities (continued)

The portion of a convertible instrument representing the value of the conversion option at the time of the issue is included in equity. The value of the conversion option is not changed in subsequent periods. Upon conversion of the instrument to equity shares, the amount credited to share capital is the aggregate of the amounts classified within liability and equity at the time of conversion. No gain or loss is recognised.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

12.5.7 Financial guarantee contract

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

12.5.8 Equity

An equity instrument is any contract that evidences a residual interest in the assets of Moretify after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

Ordinary shares are recorded at the proceeds received at issuance and classified as equity. Transaction costs directly related to the issuance of equity instrument are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

12.5.9 Impairment of financial assets

Moretify recognises an impairment loss allowance for expected credit losses on a financial asset that is measured at amortised cost. Moretify applies the simplified approach to measure expected credit losses ("ECL"). This entails recognising a lifetime expected loss allowance for all trade receivables, if any.

Expected credit losses are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Moretify expects to receive. The estimate of expected cash shortfall shall reflect the cash flows expected from collateral and other credit enhancements that are part of the contractual terms. The shortfall is then discounted at an approximation to the asset's original effective interest rate of the asset.

Moretify considers credit loss experience and observable data such as current changes and futures forecasts in economic conditions of Moretify's industry to the financial statements to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.9 Impairment of financial assets (continued)

Impairment for trade receivables and contract assets that do not contain a significant financing component is recognised based on the simplified approach within MFRS 9 using the lifetime expected credit losses.

In measuring the expected credit losses on trade receivables and contract assets, the probability of non-payment by the trade receivables and contract assets are adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables and contract assets, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statement of profit or loss.

Impairment for other receivables are recognised based on the general approach within MFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve (12) month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. At the end of the reporting period, Moretify assesses whether there has been a significant increase in credit risk for financial assets by comparing the risk for default occurring over the expected life with the risk of default since initial recognition. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The probability of non-payment of other receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the twelve (12) month or lifetime expected credit loss for other receivables and amount due from a related party.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

12.5.10 Borrowings costs

All other borrowing costs is recognised in profit or loss in the period in which they are incurred.

12.5.11 Income taxes

Income taxes include all domestic taxes, if any, on taxable profits. Income taxes also include other taxes such as withholding taxes and real property gains taxes payable on disposal of properties, if any.

Taxes in the statements of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of each jurisdiction in which Moretify operates and include all taxes based upon the taxable profits (including withholding taxes payable by Moretify on distribution of retained earnings to Moretify), and real property gains taxes payable on disposal of properties, if any.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.11 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profits would be available, such reductions would be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantial effect of actual enactment by the end of each reporting period.

12.5.12 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Where Moretify expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If Moretify has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.13 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Moretify or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Moretify does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Moretify. Moretify does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

12.5.14 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to Moretify.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving Moretify.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when reliable estimate can be made of the amount of the obligation.

(b) Defined contribution plans

Moretify makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

12.5.15 Revenue recognition

Moretify recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below:

(a) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and the criteria that must be met.

(b) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(c) Determine the transaction price. The transaction price is the amount of consideration to which Moretify expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties, returns, rebates and discounts.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.15 Revenue recognition (continued)

Moretify recognises revenue from contracts with customers for the provision of services and sale of goods based on the five-step model as set out below (continued):

(d) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, Moretify allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which Moretify expects to be entitled in exchange for satisfying each performance obligation.

(e) Recognise revenue when (or as) Moretify satisfies a performance obligation.

Moretify satisfies a performance obligation and recognise revenue over time if Moretify's performance:

(a) Does not create an asset with an alternative use to Moretify and has an enforceable right to payment for performance completed to-date; or

(b) Creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) Provides benefits that the customer simultaneously receives and consumes as Moretify performs.

When Moretify satisfies a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

<u>Projects</u>

Projects may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from projects is measured at the fixed transaction price agreed under the agreement.

Moretify determines the transaction price of a contract after considering the effect of variable consideration, constraining estimates of variable consideration, effect of significant financing component, non-cash consideration and consideration payable to customer.

When the fair value of variable consideration is uncertain, Moretify estimates the amount of consideration by using the most likely amount method and only recognises to the extent that is highly probable that a significant reversal in cumulative revenue will not occur.

Revenue is recognised as and when control of the asset is transferred to the customer and it is probable that Moretify would collect the consideration to which it will be entitled in exchange for the asset that would be transferred to the customer. Control of the asset is transferred over time if the performance of Moretify does not create an asset with an alternative use to Moretify and Moretify has an enforceable right to payment for performance completed to date.

Moretify recognises revenue over time using an input method to measure progress towards complete satisfaction of the service, as the customer simultaneously received and consumes the benefits provided by Moretify. Revenue is recognised on a straight-line basis over the contracted period as services are provided on a continuous basis.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.5 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

12.5.15 Revenue recognition (continued)

Moretify identifies performance obligations that are distinct and material, which are judgmental in the context of contracts. Transaction prices are determined based on estimated profit margins prior to its allocation to the identified performance obligations. Moretify also estimate total performance period in applying the input method to recognise revenue over time. In estimating total performance period to complete, Moretify considers the completeness and accuracy of its performance period estimation, including performance period for contract variations.

12.5.16 Fair value measurements

The fair value of an asset or a liability except for 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 fair value 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.

Moretify measures the fair value of an asset or a liability by taking into consideration the characteristics of the asset or liability that market participants would price the asset or liability. Moretify has considered the following characteristics when determining its fair value:

(a) the condition and location of the asset; and

(b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

(b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

12.5.17 Contract assets/(liabilities)

A contract asset is recognised when the right to consideration of Moretify in excess of the progress billing.

A contract liability is stated at cost and represents the obligation of Moretify to transfer services to a customer for which consideration has been received (or the amount is due) from the customers.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when Moretify issues billing to the customer. Contract liabilities are recognised as revenue when performance obligations are satisfied.

Incremental costs of obtaining a contract with a customer are recognised as assets if the entity expects to recover those costs. The incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognised as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

Refer to Note 12.5.9 of this Report for impairment approach of contract assets.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.6 ADOPTION OF MFRSs AND AMENDMENTS TO MFRSs

12.6.1 New MFRSs adopted during the financial years

Moretify adopted the following Standards and Amendments of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial years:

Title	Effective Date
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3 *Definition of a Business*	1 January 2020
Amendments to MFRS 101 and MFRS 108 *Definition of Material*	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7 *Interest Rate Benchmark Reform*	1 January 2020
Amendment to MFRS 16 *Covid-19-Related Rent Concessions*	1 June 2020
Amendments to MFRS 4 *Insurance Contract - Extension of the Temporary Exemption from Applying MFRS 9*	17 August 2020
Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to MFRS 16 *Leases*)	1 April 2021
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3 *Reference to the Conceptual Framework*	1 January 2022
Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*	1 January 2022
Amendments to MFRS 137 *Onerous Contracts - Cost of Fulfilling a Contract*	1 January 2022

Adoption of the above Standards and Amendments did not have any material effect on the financial performance or position of Moretify.

12.6.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

Title	Effective Date
MFRS 17 *Insurance Contracts*	1 January 2023
Amendments to MFRS 17 *Insurance Contract*	1 January 2023
Amendments to MFRS 17 *Initial Application of MFRS 17 and MFRS 9 - Comparative information*	1 January 2023
Amendments to MFRS 101 *Disclosure of Accounting Policies*	1 January 2023
Amendments to MFRS 108 *Definition of Accounting Estimate*	1 January 2023
Amendments to MFRS 112 *Deferred tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendments to MFRS 16 *Lease liability in a sale and leaseback*	1 January 2024
Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 101 *Non-current Liabilities with Covenants*	1 January 2024
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Deferred

Moretify is still in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable in future financial years.

12.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

12.7.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

During the FYE 31 December 2021, Moretify revised the estimates of useful life of plant and equipment as disclosed in Note 12.5.3 to the financial statements.

The Director are of the opinion that there are no other significant changes in estimates at the end of the reporting period.

12.7.2 Critical judgements made in applying accounting principles

There are no critical judgements made by management in the process of applying the accounting policies of Moretify that have a significant effect on the amounts recognised in the financial statements.

12.7.3 Key sources of estimation uncertainty

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

(a) Depreciation of plant and equipment

The cost of plant and equipment is depreciated on a straight-line basis over the assets' useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

(b) Determination of the lease term for leases

Moretify determine the lease term of a lease as the non-cancellable period of the lease, together with periods covered by an option to extend or to terminate the lease if Moretify are reasonably certain to exercise the relevant options. Management has considered the relevant facts and circumstances that create an economic incentive for Moretify to either exercise the option to extend the lease, or to exercise the option to terminate the lease. Any differences in expectations from the original estimates would impact the carrying amounts of the lease liabilities of Moretify.

(c) Impairment of trade receivables and financial assets

The impairment of trade receivables and financial assets are based on assumptions about risk of default and expected credit loss rates. Moretify adopts judgement in making these assumption and selecting inputs for computing such impairment loss, broadly based on the available customers' historical data, the existing market conditions including forward looking estimates at end of the reporting period.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.7 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

12.7.3 Key sources of estimation uncertainty (continued)

(d) Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses based on the interpretation of tax laws and legislations during the estimation of the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Moretify recognised liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome is different from the amounts that were initially recorded, such differences would impact the income tax and deferred income tax provisions, where applicable, in the period in which such determination is made.

(e) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

Moretify measures financial instruments at fair value as disclosed in Note 12.8.10 of this Report.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY

12.8.1 PLANT AND EQUIPMENT

2020	**Balance as at 1.1.2020 RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2020 RM**
Carrying amount			
Renovation and electrical installation	42,878	(5,196)	37,682
Computer and office equipment	41,417	(5,020)	36,397
Furniture and fittings	7,408	(898)	6,510
Security system	3,094	(375)	2,719
Signboard	2,186	(265)	1,921
	96,983	(11,754)	85,229

	Cost RM	**Accumulated depreciation RM**	**Carrying amount RM**
Renovation and electrical installation	51,976	(14,294)	37,682
Computer and office equipment	50,178	(13,781)	36,397
Furniture and fittings	8,980	(2,470)	6,510
Security system	3,750	(1,031)	2,719
Signboard	2,650	(729)	1,921
	117,534	(32,305)	85,229

2021	**Balance as at 1.1.2021 RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2021 RM**
Carrying amount			
Renovation and electrical installation	37,682	(24,109)	13,573
Computer and office equipment	36,397	(28,398)	7,999
Furniture and fittings	6,510	(4,190)	2,320
Security system	2,719	(1,750)	969
Signboard	1,921	(1,237)	684
	85,229	(59,684)	25,545

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.1 PLANT AND EQUIPMENT (continued)

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Renovation and electrical installation	51,976	(38,403)	13,573
Computer and office equipment	50,178	(42,179)	7,999
Furniture and fittings	8,980	(6,660)	2,320
Security system	3,750	(2,781)	969
Signboard	2,650	(1,966)	684
	117,534	(91,989)	25,545

2022	**Balance as at 1.1.2021 RM**	**Addition RM**	**Depreciation charge for the financial year RM**	**Balance as at 31.12.2022 RM**
Carrying amount				
Renovation and electrical installation	13,573	-	(10,395)	3,178
Computer and office equipment	7,999	11,191	(6,250)	12,940
Furniture and fittings	2,320	-	(1,796)	524
Security system	969	-	(750)	219
Signboard	684	-	(530)	154
	25,545	11,191	(19,721)	17,015

	Cost RM	Accumulated depreciation RM	Carrying amount RM
Renovation and electrical installation	51,976	(48,798)	3,178
Computer and office equipment	61,369	(48,429)	12,940
Furniture and fittings	8,980	(8,456)	524
Security system	3,750	(3,531)	219
Signboard	2,650	(2,496)	154
	128,725	(111,710)	17,015

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.2 LEASES

Moretify as lessee

Right-of-use asset

2020	**Balance as at 1.1.2020 RM**	**Re-measurement RM**	**Depreciation RM**	**Balance as at 31.12.2020 RM**
Carrying amount				
Premises	83,984	38,428	(37,329)	85,083
	83,984	38,428	(37,329)	85,083

2021	**Balance as at 1.1.2021 RM**	**Depreciation RM**	**Balance as at 31.12.2021 RM**
Carrying amount			
Premises	85,083	(37,376)	47,707
	85,083	(37,376)	47,707

2022	**Balance as at 1.1.2022 RM**	**Addition RM**	**Re-measurement RM**	**Depreciation RM**	**Balance as at 31.12.2022 RM**
Carrying amount					
Premises	47,707	82,405	(13,445)	(37,696)	78,971
	47,707	82,405	(13,445)	(37,696)	78,971

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.2 LEASES (continued)

Moretify as lessee (continued)

Lease liabilities

2020	Balance as at 1.1.2020 RM	Re-measurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2020 RM
Carrying amount					
Premises	87,922	38,428	(41,400)	3,809	88,759
	87,922	38,428	(41,400)	3,809	88,759

2021	Balance as at 1.1.2021 RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2021 RM
Carrying amount				
Premises	88,759	(41,400)	3,682	51,041
	88,759	(41,400)	3,682	51,041

2022	Balance as at 1.1.2022 RM	Addition RM	Re-measurement RM	Lease payments RM	Interest expense RM	Balance as at 31.12.2022 RM
Carrying amount						
Premises	51,041	82,405	(14,636)	(41,599)	1,968	79,179
	51,041	82,405	(14,636)	(41,599)	1,968	79,179

Represented by:	2020 RM	2021 RM	2022 RM
Current liabilities	37,717	37,595	40,088
Non-current liabilities	51,042	13,446	39,091
	88,759	51,041	79,179
Lease liabilities owing to non-financial institution	88,759	51,041	79,179

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.2 LEASES (continued)

Moretify as lessee (continued)

(a) The following are the amounts recognised in profit or loss:

	2020 RM	2021 RM	2022 RM
Depreciation charge of right-of-use asset (included in other operating expenses)	37,329	37,376	37,696
Interest expense on lease liability (included in finance costs)	3,809	3,682	1,968
Gain on remeasurement of right-of-use assets	-	-	(1,191)
	41,138	41,058	38,473

(b) The following are total cash outflows for leases as a lessee:

	2020 RM	2021 RM	2022 RM
Included in net cash from financing activities:			
Payment of lease liabilities	41,400	41,400	41,599

(c) The weighted average interest rates of lease liabilities of Moretify during the financial period were 6.47% (31.12.2021: 5.40%; 31.12.2020: 5.40%).

(d) Moretify 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 Moretify's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(e) Management exercises significant judgement in determining the incremental borrowing rates whenever the implicit rates of interest in a lease are not readily determinable as well as the lease terms. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment. Lease terms are based on management expectations driven by prevailing market conditions and past experience in exercising similar renewal and termination options.

(f) Information on financial risks of lease liabilities is disclosed in Note 12.8.11 of this Report.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.3 TRADE AND OTHER RECEIVABLES

	2020 RM	2021 RM	2022 RM
Trade receivables			
- Amount owing by immediate holding company	32,061	288,688	490,701
	32,061	288,688	490,701
Less: Impairment losses			
- Amount owing by immediate holding company	-	(3,913)	(12,434)
	-	(3,913)	(12,434)
	32,061	284,775	478,267
Other receivables			
Deposits	9,250	9,400	9,900
Total trade and other receivables, net of prepayments	41,311	294,175	488,167
Prepayments	4,298	3,969	5,837
	45,609	298,144	494,004

(a) Trade and other receivables are classified as financial assets measured at amortised cost.

(b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Moretify range from 30 to 90 days (31.12.2021: 30 to 90 days; 31.12.2020: 30 to 90 days) from date of invoice. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(c) Trade and other receivables balances are denominated in Ringgit Malaysia ("RM").

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.3 TRADE AND OTHER RECEIVABLES (continued)

(d) The ageing analysis of trade receivables of Moretify is as follows:

	Gross carrying amount RM	Total allowance RM	Balance RM
2020			
Current	32,061	-*	32,061

	Gross carrying amount RM	Total allowance RM	Balance RM
2021			
Current	149,396	(2,025)	147,371
Past due			
1 to 30 days	26,281	(356)	25,925
31 to 60 days	35,238	(478)	34,760
61 to 90 days	43,581	(591)	42,990
More than 91 days	34,192	(463)	33,729
	139,292	(1,888)	137,404
	288,688	(3,913)	284,775

	Gross carrying amount RM	Total allowance RM	Balance RM
2022			
Current	93,458	(2,368)	91,090
Past due			
1 to 30 days	89,423	(2,266)	87,157
31 to 60 days	35,757	(906)	34,851
61 to 90 days	68,235	(1,729)	66,506
More than 91 days	203,828	(5,165)	198,663
	397,243	(10,066)	387,177
	490,701	(12,434)	478,267

* *Amount is negligible.*

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16 JUN 2023
BDO PLT
(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.3 TRADE AND OTHER RECEIVABLES (continued)

(e) As at the end of each reporting period, the credit risks exposures and concentration relating to trade receivables of Moretify are summarised in the table below:

	2020 RM	2021 RM	2022 RM
Maximum exposure	32,061	284,775	478,267
Collateral obtained	-	-	-
Net exposure to credit risk	32,061	284,775	478,267

(f) Movements in the impairment allowance for trade receivables are as follows:

	Lifetime ECL Not Credit Impaired		
	2020 RM	2021 RM	2022 RM
As at 1 January	428	-	3,913
Charge for the financial year	-*	3,913	12,434
Reversal of impairment loss	(428)	-	(3,913)
As at 31 December	-	3,913	12,434

* *Amount is negligible.*

(g) The reconciliation of movements in the impairment losses on other receivables are as follows:

	Lifetime ECL Not Credit Impaired		
	2020 RM	2021 RM	2022 RM
As at 1 January	8,529	-	-
Charge for the financial year	-*	-	-
Reversal of impairment loss	(8,529)	-	
As at 31 December	-	-	-

* *Amount is negligible.*

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.3 TRADE AND OTHER RECEIVABLES (continued)

(h) No expected credit loss is recognised arising from other receivables as it is negligible.

(i) Information on financial risks of trade and other receivables is disclosed in Note 12.8.11 of this Report.

12.8.4 CONTRACT ASSETS

	2020 RM	2021 RM	2022 RM
Contract assets relating to contracts with customers	5,117	52,739	109,561
Less: Impairment losses	-	(243)	(506)
	5,117	52,496	109,055

(a) The contract assets primarily relate to Moretify's right to consideration for work completed and services provided on contracts but not yet billed as at the reporting date.

(b) Impairment for contract assets that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected loss provision for contract assets are as follows:

	Current
2021	
Expected loss rate	0.461%
Gross carrying amount (RM)	52,739
Impairment (RM)	243
2022	
Expected loss rate	0.462%
Gross carrying amount (RM)	109,561
Impairment (RM)	506

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.4 CONTRACT ASSETS (continued)

(c) Movements in the impairment allowance for contract assets are as follows:

	2020 RM	2021 RM	2022 RM
As at 1 January	236	-	243
Charge for the financial year	-*	243	506
Reversal of impairment losses	(236)	-	(243)
As at 31 December	-	243	506

* *Amount is negligible.*

(d) Information on financial risks of contract assets is disclosed in Note 12.8.11 of this Report.

12.8.5 CASH AND BANK BALANCES

	2020 RM	2021 RM	2022 RM
Cash and bank balances	2,377	29,276	63,578

(a) Cash and bank balances are classified as financial assets measured at amortised cost.

(b) Cash and bank balances are denominated in Ringgit Malaysia ("RM").

(c) No expected credit losses are recognised arising from the deposits with financial institution because the probability of default by this financial institutions is negligible.

(d) Information on financial risks of cash and bank balances is disclosed in Note 12.8.11 of this Report.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.6 SHARE CAPITAL

	2020	**2021**	**2022**
Number of ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,500	2,500	2,500

	2020 RM	**2021 RM**	**2022 RM**
Ordinary shares			
Issued and fully paid			
Ordinary shares:			
At beginning/end of the financial year	2,500	2,500	2,500

The owners are entitled to receive dividends as and when declared by Moretify and is entitled to one (1) vote per ordinary share at meetings of Moretify. All ordinary shares rank pari passu with regard to the residual assets of Moretify.

12.8.7 DEFERRED TAX LIABILITIES

(a) Deferred tax liabilities are made up of the following:

	2020 RM	**2021 RM**	**2022 RM**
Balance as at 1 January	5,291	5,411	-
Recognised in profit or loss (Note 12.9.4)	120	(5,411)	718
Balance as at 31 December	5,411	-	718
Presented after appropriate offsetting as follows:			
Deferred tax liabilities	5,411	-	718
	5,411	-	718

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.7 DEFERRED TAX LIABILITIES (continued)

(b) Components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	Plant and equipment RM	Others RM	Total RM
At 1 January 2020	6,236	(945)	5,291
Recognised in profit or loss	71	49	120
At 31 December 2020	6,307	(896)	5,411
At 1 January 2021	6,307	(896)	5,411
Recognised in profit or loss	(6,307)	896	(5,411)
At 31 December 2021	-	-	-
At 1 January 2022	-	-	-
Recognised in profit or loss	767	(49)	718
At 31 December 2022	767	(49)	718

12.8.8 OTHER PAYABLES AND ACCRUALS

	2020 RM	2021 RM	2022 RM
Amount owing to immediate holding company	-	5,977	11,851
Accruals	11,407	37,988	58,913
	11,407	43,965	70,764

(a) Other payables and accruals are classified as financial liabilities measured at amortised cost.

(b) Amount owing to immediate holding company represents advances and payments made on behalf which are unsecured, non-interest bearing and payable within next twelve month in cash and cash equivalents.

(c) Other payables and accruals are denominated in Ringgit Malaysia ("RM").

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.8 OTHER PAYABLES AND ACCRUALS (continued)

(d) The maturity profile of other payables and accruals of Moretify at the end of reporting period based on contractual undiscounted repayment obligations are repayable on demand or within one (1) year.

(e) Information on financial risks of other payables and accruals is disclosed in Note 12.8.11 of this Report.

12.8.9 RELATED PARTIES DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to Moretify if Moretify 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 Moretify and the party are subject to common control or common significant influence. Related parties could be individuals or other entities.

Related parties of the Moretify include:

(i) iMedia Asia Sdn. Bhd., the immediate holding company;

(ii) Catcha Group Pte. Ltd., the ultimate holding company;

(iii) Catcha Digital Berhad, the penultimate holding company;

(iv) Direct or indirect subsidiaries, associated companies or jointly controlled entities of the ultimate holding company;

(v) Key management personnel which comprises persons (including the Directors of the Moretify) having authority and responsibility for planning, directing and controlling the activities of Moretify directly or indirectly; and

(vi) Companies in which the directors and also the substantial shareholders of the ultimate holding company have controlling interest, significant influence or joint control.

(b) Significant related party transactions

In addition to the transactions detailed elsewhere in the financial statements, Moretify had the following transactions with the related parties during the financial period.

	2020 RM	2021 RM	2022 RM
Director:			
- Waiver of debts	240,389	-	-
iMedia Asia Sdn. Bhd.:			
- Sales	-	(623,497)	(727,712)
Goody Technologies Sdn. Bhd..:			
- Rental income	-	(8,197)	(12,100)

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16 JUN 2023
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(201906000013 (LLP0018825-LCA) & AF 0206)
Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.9 RELATED PARTIES DISCLOSURES (continued)

(c) Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of Moretify.

The remuneration of director and key management personnel of Moretify during the financial period and year was as follows:

	2020 RM	2021 RM	2022 RM
Director's emoluments:			
- Director fees	60,000	-	-
- Director remuneration	10,000	130,100	151,250
- Contributions to defined contribution plan	1,200	14,400	18,150
- Other benefits	77	924	1,002
	71,277	145,424	170,402

12.8.10 FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of Moretify's capital management is to ensure that Moretify would be able to continue as going concerns whilst maximising return to shareholder through the optimisation of the debt and equity ratios. The overall strategy of Moretify remains unchanged during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Moretify manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, Moretify may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.10 FINANCIAL INSTRUMENTS (continued)

(b) Fair values measurement hierarchy and estimation

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 transactions 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, Moretify uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that Moretify 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.

Moretify recognises transfers between levels of the fair value hierarchy as at the date of event or change in circumstances that caused the transfers.

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

The carrying amount of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period. As the financial assets and liabilities of Moretify are not carried at fair value by any valuation method, the fair value hierarchy is not presented.

12.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of Moretify is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

Moretify does not trade in derivative financial instruments. Moretify is exposed mainly to liquidity and cash flow risk and credit risk. Information on the management of the related exposures is detailed below.

(i) Liquidity and cash flow risks

It is Moretify's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and bank balances deemed adequate to Moretify's operations.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Liquidity and cash flow risks (continued)

The table below summarises the maturity profile of the liabilities of Moretify at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2020				
Other payables and accruals	11,407	-	-	11,407
Lease liabilities	41,400	52,950	-	94,350
Total undiscounted financial liabilities	52,807	52,950	-	105,757
2021				
Other payables and accruals	43,965	-	-	43,965
Lease liabilities	39,200	13,750	-	52,950
Total undiscounted financial liabilities	83,165	13,750	-	96,915
2022				
Other payables and accruals	70,764	-	-	70,764
Lease liabilities	43,800	40,150	-	83,950
Total undiscounted financial liabilities	114,564	40,150	-	154,714

(ii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms and deposits with licensed banks. Moretify controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. Moretify also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of Moretify.

Cash deposits, trade and other receivables and contract assets could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. It is the policy of Moretify to monitor the financial standing of these counter parties on an ongoing basis to ensure that Moretify is exposed to minimal credit risk.

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.8 NOTES TO STATEMENTS OF FINANCIAL POSITION OF MORETIFY (continued)

12.8.11 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Credit risk (continued)

Information regarding credit enhancements for trade and other receivables and contract assets are disclosed in Notes 12.8.3 and 12.8.4 of this Report respectively. Deposits with bank and other financial institutions are neither past due nor impaired. This deposit is placed with or entered into with reputable financial institution with no history of default.

Exposure to credit risk

At the end of each reporting period, the maximum exposure to credit risk of Moretify is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Credit risk concentration profile

At the end of the reporting period, Moretify does not have any significant concentration of credit risk to any individual customer or counter party, nor does it have any major concentration of credit risk related to any financial instruments other than amount owing by immediate holding company.

Moretify did not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

12.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MORETIFY

12.9.1 REVENUE

	2020 RM	2021 RM	2022 RM
Revenue from contracts with customers			
- Sale of services	418,452	757,580	875,274
Timing of revenue recognition			
- Transferred over time	418,452	757,580	875,274

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MORETIFY (continued)

12.9.2 FINANCE COSTS

	2020 RM	2021 RM	2022 RM
Lease liabilities	3,809	3,682	1,968

12.9.3 (LOSS)/PROFIT BEFORE TAX

Other than those disclosed elsewhere in the report, the (loss)/profit before tax is arrived at:

	2020 RM	2021 RM	2022 RM
After charging:			
Auditors' remuneration	5,650	5,000	6,000
Waiver of advances to a Director	240,389	-	-
And crediting:			
Realised gain on foreign exchange	-	21	76
Rental income	-	8,197	12,100

12.9.4 TAX EXPENSES

	2020 RM	2021 RM	2022 RM
Current tax expense based on profit for the financial year:			
- Malaysian income tax	15,412	63,447	85,410
Under provision in prior years	-	-	2,509
Deferred tax: (Note 12.8.7)			
Relating to origination and reversal of temporary differences	120	(5,411)	2,122
Over provision on prior years	-	-	(1,404)
	15,532	58,036	88,637

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Chartered Accountants
Kuala Lumpur

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MORETIFY (continued)

12.9.4 TAX EXPENSES (continued)

(a) The Malaysian income tax for small and medium-sized enterprises is calculated at the statutory tax rate of 17% (31.12.2021: 17%; 31.12.2020: 17%) on first RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income and 24% (31.12.2021: 24%; 31.12.2020: 24%) on the excess of RM600,000 (31.12.2021: RM600,000; 31.12.2020: RM600,000) of the chargeable income for the fiscal year.

(b) The numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate of Moretify is as follows:

	2020 RM	2021 RM	2022 RM
(Loss)/Profit before tax	(136,338)	298,474	338,164
Tax at Malaysian statutory tax rate at 24%	(32,721)	71,634	81,159
Tax effects in respect of:			
- Non-allowable expenses	57,904	8,590	6,373
- Non-taxable income	(2,207)	-	-
- Reduction in statutory tax rate on chargeable income up to RM600,000/RM500,000	(7,444)	(26,125)	-
- Deferred tax assets not recognised	-	3,937	-
	15,532	58,036	87,532
Under/(Over) provision in prior years:			
- current tax	-	-	2,509
- deferred tax	-	-	(1,404)
	15,532	58,036	88,637

12. FINANCIAL INFORMATION OF MORETIFY (continued)

12.9 NOTES TO STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME OF MORETIFY (continued)

12.9.5 EMPLOYEE BENEFITS

	2020 RM	2021 RM	2022 RM
Salaries, wages, bonus and allowances	87,948	207,653	285,383
Contributions to defined contribution plan	3,666	19,190	28,454
Other benefits	891	66,268	83,206
	92,505	293,111	397,043

Included in the employee benefits of Moretify is Directors' remuneration amounting to RM170,402 (31.12.2021: RM145,424; 31.12.2020: RM71,277).

12.10 SIGNIFICANT EVENT DURING THE FINANCIAL YEARS

On 27 November 2020, the shareholder of Moretify has entered into a Share Sale Purchase Agreement with iMedia Asia Sdn. Bhd. to sell 60% of equity interest comprising of 1,500 ordinary shares in Moretify for a total purchase consideration of RM1,170,000.

With effect from 28 December 2020, Moretify became a subsidiary of iMedia Asia Sdn. Bhd., a private limited liability company, incorporated and domiciled in Malaysia. The Directors regard iMedia Asia Sdn. Bhd., as Moretify's immediate holding company.

MORETIFY SDN. BHD. (201701037954 (1252125 - V))
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

We, Voon Tze Khay and Tee Choon Wee, being two of the Directors of Moretify Sdn. Bhd. ("Moretify"), state that, in the opinion of the Director, the financial information set out on pages 269 to 308 are drawn up so as to give a true and fair view of the financial position of Moretify as at 31 December 2020, 31 December 2021 and 31 December 2022, and of the financial performance and cash flows for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Signed on behalf of the Board of Directors in accordance with their resolution dated 16 June 2023.

....	....
Voon Tze Khay	**Tee Choon Wee**
Director	Director

16 June 2023

ADDITIONAL INFORMATION

1. CONSENTS

TA Securities, as the Principal Adviser and Sponsor, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

Malacca Securities, as the Co-Adviser, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

BDO PLT, as the Auditors and Reporting Accountants, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

Providence, as the Independent Market Researcher, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

Cheang & Ariff, as the Solicitors, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

Bloomberg has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data are included in this Abridged Prospectus.

The Company Secretaries have given and have not subsequently withdrawn their respective written consents before the date of issue of this Abridged Prospectus with the inclusion of their names and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

Boardroom Share Registrars Sdn Bhd, as the Share Registrar, has given and has not subsequently withdrawn its written consent before the date of issue of this Abridged Prospectus with the inclusion of its name and all references thereto, in the form and context in which they are included in this Abridged Prospectus.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours (except for Saturday, Sunday and public holidays) at our Company's registered office at 12th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia during ordinary business hours for a period of six (6) months from the date of this Abridged Prospectus: -

(i) the Constitution of our Company and iMedia;

(ii) the pro forma consolidated statements of financial position of our Company as at 31 March 2023 with the report on the compilation of the pro forma consolidated financial statements together with the Reporting Accountants' letter thereon as referred to in Appendix III of this Abridged Prospectus;

(iii) the Accountants' Report on iMedia Group as referred to in Appendix IV of this Abridged Prospectus;

(iv) the letters of consent as referred to in Section 1 of Appendix V of this Abridged Prospectus;

(v) the material contract referred to in Section 9 of Appendix I of this Abridged Prospectus;

(vi) the Independent Market Research Report prepared by Providence on the Digital and Social Media Advertising Industry in Malaysia; and

(vii) the Undertaking as referred to in Section 2.4 of this Abridged Prospectus.

3. RESPONSIBILITY STATEMENT

Our Directors have seen and approved all the documentation relating to the Rights Issue. They collectively and individually accept full responsibility for the accuracy of the information. having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement in this Abridged Prospectus false or misleading.

TA Securities, being the Principal Adviser and Sponsor, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

Malacca Securities, being the Co-Adviser, acknowledges that, based on all available information, and to the best of its knowledge and belief, this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issue.

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NOTICE OF PROVISIONAL ALLOTMENTS

TERMS DEFINED IN THE ABRIDGED PROSPECTUS IN RELATION TO THE RIGHTS ISSUE (AS DEFINED HEREIN) DATED 28 JUNE 2023 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS NOTICE OF PROVISIONAL ALLOTMENTS ("NPA"), UNLESS STATED OTHERWISE. THE PROVISIONAL ALLOTMENTS (AS DEFINED HEREIN) ARE PRESCRIBED SECURITIES PURSUANT TO SECTION 14(5) OF THE SECURITIES INDUSTRY (CENTRAL DEPOSITORIES) ACT 1991 AS AMENDED FROM TIME TO TIME ("SICDA") AND THEREFORE, THE SICDA (INCLUDING ALL AMENDMENTS THEREOF) AND THE RULES OF BURSA MALAYSIA DEPOSITORY SDN BHD ("BURSA DEPOSITORY") SHALL APPLY IN RESPECT OF DEALINGS IN THE PROVISIONAL ALLOTMENTS.

CATCHA DIGITAL

CATCHA DIGITAL BERHAD

(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 174,640,020 NEW ORDINARY SHARES IN CATCHA DIGITAL BERHAD ("CATCHA DIGITAL" OR "COMPANY") ("CATCHA DIGITAL SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING CATCHA DIGITAL SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 28 JUNE 2023 ("ENTITLEMENT DATE") AT AN ISSUE PRICE OF RM0.235 PER RIGHTS SHARE ("RIGHTS ISSUE")

Principal Adviser and Sponsor

TA SECURITIES
AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD
(Registration No.: 197301001467 (14948-M))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Co-Adviser

Malacca Securities
Building Wealth Together

MALACCA SECURITIES SDN BHD
(Registration No.: 197301002760 (16121-H))
(A Participating Organisation of Bursa Malaysia Securities Berhad)

To: The Entitled Shareholders of Catcha Digital

Dear Sir / Madam

The Board of Directors of Catcha Digital (**"Board"**) has provisionally allotted to you, in accordance with the approval of Bursa Malaysia Securities Berhad (**"Bursa Securities"**) via its letter dated 5 April 2022 and the ordinary resolution 2 duly passed by our shareholders at the Extraordinary General Meeting held on 20 July 2022, the number of Rights Shares as indicated below (**"Provisional Allotments"**).

We wish to advise you that the following Provisional Allotments have been confirmed by Bursa Depository and upon acceptance, will be credited into your Central Depository System (**"CDS"**) Account(s), subject to the terms and conditions stated in the Abridged Prospectus and the Rights Subscription Form (**"RSF"**) dated 28 June 2023 issued by our Company.

The Provisional Allotments are made subject to the provisions stated in the Abridged Prospectus issued by our Company. Bursa Securities has already prescribed the securities of Catcha Digital listed on the ACE Market of Bursa Securities to be deposited with Bursa Depository. Accordingly, the Provisional Allotments are prescribed securities and as such, all dealings in the Provisional Allotments will be by book entries through CDS Accounts and will be governed by the SICDA (including all amendments thereof) and the Rules of Bursa Depository.

ALL RIGHTS SHARES TO BE ISSUED PURSUANT TO THE RIGHTS ISSUE WILL BE ALLOTTED BY WAY OF CREDITING THE RIGHTS SHARES INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/OR THEIR RENOUNCEE(S)/TRANSFEREE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

It is the intention of our Board to allot the excess Rights Shares, if any, in a fair and equitable manner in the following priority: -

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, for allocation to the entitled shareholders who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as per their CDS Account on the Entitlement Date;
(iii) thirdly, for allocation to the entitled shareholders who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of excess Rights Shares they applied for; and
(iv) lastly, for allocation to renouncee(s)/transferee(s) (if applicable) who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of excess Rights Shares they applied for.

In the event there is any balance excess Rights Shares after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the balance excess Rights Shares.

Nevertheless, our Board reserves the right to allocate any excess Rights Shares applied for under Part I(B) of the RSF in such manner as it deems fit and expedient, and in the best interests of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right to allocate any excess Rights Shares application, in full or in part, without assigning any reason thereof.

NAME, ADDRESS AND CDS ACCOUNT NUMBER OF ENTITLED SHAREHOLDER

NO. OF CATCHA DIGITAL SHARES HELD AT 5.00 P.M. ON 28 JUNE 2023	NO. OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN FULL UPON ACCEPTANCE AT RM0.235 PER RIGHTS SHARE (RM)

IMPORTANT RELEVANT DATES AND TIMES:-

Entitlement Date	:	Wednesday, 28 June 2023 at 5.00 p.m.
Last day, date and time for :		
Sale of Provisional Allotments	:	Thursday, 6 July 2023 at 5.00 p.m.
Transfer of Provisional Allotments	:	Monday, 10 July 2023 at 4.30 p.m.
Acceptance and payment	:	Friday, 14 July 2023 at 5.00 p.m.
Excess Application and payment	:	Friday, 14 July 2023 at 5.00 p.m.

By order of our Board
TAI YIT CHAN (MAICSA 7009143)
(SSM Practicing Certificate No. 202008001023)
TAN AI NING (MAICSA 7015852)
(SSM Practicing Certificate No. 202008000067)
Company Secretaries

Share Registrar
Boardroom Share Registrars Sdn Bhd **(Registration Number: 199601006647 (378993-D)**
11th Floor, Menara Symphony
No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor, Malaysia
Tel. No.: +603 7890 4700 Fax No.: +603 7890 4670

THIS NOTICE OF PROVISIONAL ALLOTMENTS IS DATED 28 JUNE 2023

RIGHTS SUBSCRIPTION FORM

TERMS DEFINED IN THE ABRIDGED PROSPECTUS IN RELATION TO THE RIGHTS ISSUE (AS DEFINED HEREIN) DATED 28 JUNE 2023 ("ABRIDGED PROSPECTUS") SHALL HAVE THE SAME MEANINGS WHEN USED IN THIS RIGHTS SUBSCRIPTION FORM ("RSF") AND THE NOTES AND INSTRUCTIONS FOR COMPLETING THIS RSF, UNLESS STATED OTHERWISE. THIS RSF RELATES TO THE ABRIDGED PROSPECTUS AND IS ISSUED FOR THE PURPOSE OF ACCEPTING THE PROVISIONAL ALLOTMENTS (AS DEFINED HEREIN) AND APPLYING FOR EXCESS RIGHTS SHARES (AS DEFINED HEREIN) PURSUANT TO THE RIGHTS ISSUE OF CATCHA DIGITAL BERHAD ("CATCHA DIGITAL" OR "COMPANY"). THE LAST TIME, DAY AND DATE FOR ACCEPTANCE AND PAYMENT AND EXCESS APPLICATION AND PAYMENT IS AT 5.00 P.M. ON FRIDAY, 14 JULY 2023. THIS RSF IS ONLY APPLICABLE TO PERSONS WHO HAVE PROVISIONAL ALLOTMENTS OF RIGHTS SHARES STANDING TO THE CREDIT OF HIS / HER CENTRAL DEPOSITORY SYSTEM ("CDS") ACCOUNT.

CATCHA DIGITAL

CATCHA DIGITAL BERHAD

(Registration No. 201001033020 (916943-W))
(Incorporated in Malaysia)

RENOUNCEABLE RIGHTS ISSUE OF UP TO 174,640,020 NEW ORDINARY SHARES IN CATCHA DIGITAL BERHAD ("CATCHA DIGITAL SHARE(S)") ("RIGHTS SHARE(S)") ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING CATCHA DIGITAL SHARE HELD BY THE ENTITLED SHAREHOLDERS OF THE COMPANY AT 5.00 P.M. ON 28 JUNE 2023 AT AN ISSUE PRICE OF RM0.235 PER RIGHTS SHARE ("RIGHTS ISSUE")

NAME AND ADDRESS OF APPLICANT
(in block letters as per Bursa Depository's record)

NRIC NO. / PASSPORT NO. (state country) / **COMPANY NO.**

CDS ACCOUNT NO. _ _ _ - _ _ _ - _ _ _ _ _ _ _ _ _

NO. OF CATCHA DIGITAL SHARES HELD AT 28 JUNE 2023	NO. OF RIGHTS SHARES PROVISIONALLY ALLOTTED TO YOU	AMOUNT PAYABLE IN RM UPON ACCEPTANCE AT RM0.235 PER RIGHTS SHARE

Note: If you have subsequently purchased additional Provisional Allotments from the open market, you should indicate your acceptance of the total Provisional Allotments that you have standing to the credit in your CDS Account under Part I (A) below.

To: Board of Directors of Catcha Digital ("Board")

PART I - ACCEPTANCE OF RIGHTS SHARES AND APPLICATION FOR EXCESS RIGHTS SHARES

In accordance with the terms of this RSF and the Abridged Prospectus, I / we* hereby irrevocably: -

(i) * accept the number of Rights Shares as stated below, which were provisionally allotted / transferred / renounced to me / us.
(ii) * apply for the number of excess Rights Shares as stated below in addition to the above;

in accordance with and subject to the Constitution of our Company.

I / We* enclose herewith the appropriate remittance(s) / reference for the payment stated below, in favour of the respective account stated below and crossed "ACCOUNT PAYEE ONLY", being the full amount payable for the said number of Rights Shares accepted / applied for and hereby request for the Rights Shares and excess Rights Shares to be credited into my / our* valid and subsisting CDS Account as stated above: -

NO. OF RIGHTS SHARES ACCEPTED/ EXCESS RIGHTS SHARES APPLIED		AMOUNT PAYABLE BASED ON RM0.235 PER RIGHTS SHARE (RM)	BANKER'S DRAFT / CASHIER'S ORDER / MONEY ORDER / POSTAL ORDER NO.	PAYABLE TO
(A) ACCEPTANCE				**CATCHA DIGITAL RIGHTS ISSUE ACC**
(B) EXCESS				**CATCHA DIGITAL EXCESS RIGHTS ISSUE ACC**

I / We* hereby authorise you to return without interest, my / our* application money or the balance thereof should my/our* application for excess Rights Shares be not successful at all or only partial successful by ORDINARY POST to me/us* at MY / OUR* OWN RISK.

PART II – DECLARATION

I / We* hereby confirm and declare that: -

(i) all information provided by me / us* is true and correct;
(ii) all information is identical with the information in the records of Bursa Malaysia Depository Sdn Bhd ("Bursa Depository") and further agree and confirm that in the event the said information differs from Bursa Depository's record as mentioned earlier, the exercise of my / our rights may be rejected; and
(iii) I / We* consent to the Company and the Share Registrar collecting the information and personal data (collectively, "Data") required herein, to process and disclose such Data to any person for the purposes of implementing the Rights Issue and storing such Data in any servers located in Malaysia or outside Malaysia in accordance with the relevant laws and regulations; and
  * I am / We are* 18 years of age or above.
  * I am / We are* resident(s) of Malaysia.
  * I am / We are* resident(s) of .... (country) and having .... citizenship.
  * I am / We are* nominee(s) of a person who is a *Bumiputera / *Non-Bumiputera / *Non-Citizen resident in .... (country) and having .... citizenship.

I / We* have read and understood and hereby accept all the terms and conditions set out in this RSF and the Abridged Prospectus and further confirm compliance with all the requirements for acceptance or application and payment as set out therein.

AFFIX MALAYSIAN REVENUE STAMP OF RM10.00 HERE

Date

Signature/Authorised Signatory(ies)
(Corporate bodies must affix their Common Seal)

Contact Number (Office / Mobile)

LAST DAY, DATE AND TIME FOR:

Acceptance and Payment .... : Friday, 14 July 2023 at 5.00 p.m.
Excess Rights Shares application and payment .... : Friday, 14 July 2023 at 5.00 p.m.

* *Please delete whichever is not applicable.*

NOTES AND INSTRUCTIONS FOR COMPLETION OF THIS RSF

THIS RSF IS NOT A TRANSFERABLE OR NEGOTIABLE INSTRUMENT. IN ACCORDANCE WITH THE CAPITAL MARKETS AND SERVICES ACT, 2007, THIS RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS IN RELATION TO THE RIGHTS ISSUE DATED 28 JUNE 2023 ("ABRIDGED PROSPECTUS").

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. ALL ENQUIRIES CONCERNING THE RIGHTS ISSUE SHOULD BE ADDRESSED TO THE SHARE REGISTRAR OF CATCHA DIGITAL BERHAD ("CATCHA DIGITAL" OR "COMPANY"), BOARDROOM SHARE REGISTRARS SDN BHD, 11TH FLOOR, MENARA SYMPHONY, NO. 5, JALAN PROFESSOR KHOO KAY KIM, SEKSYEN 13, 46200 PETALING JAYA, SELANGOR, MALAYSIA. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ABRIDGED PROSPECTUS TO WHICH THIS RSF RELATES BEFORE COMPLETING AND SIGNING THIS RSF.

The Abridged Prospectus together with the Notice of Provisional Allotments (**"NPA"**) and RSF (collectively, the **"Documents"**) are only be despatched to our Entitled Shareholders whose names appear in our Record of Depositors and who have provided our Share Registrar with a registered address in Malaysia not later than 5.00 p.m. on 28 June 2023. The Documents are not intended to be (and will not be) issued, circulated or distributed, and the Rights Issue is not intended to be (will not be) made or offered or deemed to be made or offered for purchase or subscription, as such, in any other countries or jurisdictions other than Malaysia and no action has been or will be taken to ensure that the Rights Issue complies with the laws of any country or jurisdiction other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issue in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) who are residents in countries or jurisdiction other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance or renunciation (as the case may be) of their entitlement to the Rights Issue would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 10.12 of the Abridged Prospectus. We, TA Securities Holdings Berhad, Malacca Securities Sdn Bhd and/or the advisers named in the Abridged Prospectus shall not accept any responsibility or liability in the event that any acceptance and/or sale/transfer of the entitlements under the Rights Issue, application for Excess Rights Shares or the subscription, offer, sale, resale, pledges or other transfer of Rights Shares made by the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any countries or jurisdictions in which the Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) is a resident.

The Abridged Prospectus has been registered by Bursa Malaysia Securities Berhad (**"Bursa Securities"**). The registration of the Abridged Prospectus should not be taken to indicate that Bursa Securities recommends the Rights Issue or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in the Abridged Prospectus. Bursa Securities has not, in any way, considered the merits of the Rights Issue. A copy of the Documents has also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

The approval from our shareholders for the Rights Issue was obtained at our Extraordinary General Meeting convened on 20 July 2022. Approval has been obtained from Bursa Securities vide its letter dated 5 April 2022 for the listing of and quotation for the Rights Shares on the ACE Market of Bursa Securities. However, the listing of and quotation for the new securities on the ACE Market of Bursa Securities are not to be taken as an indication of the merits of the Rights Issue. The official listing and quotation of the said securities will commence after, amongst others, receipt of confirmation from Bursa Malaysia Depository Sdn Bhd (**"Bursa Depository"**) that all the Central Depository System (**"CDS"**) accounts of the Entitled Shareholders and/or their transferee(s) and/or their renouncee(s) (if applicable) have been duly credited with the Rights Shares allotted to them and notices of allotment have been despatched to them.

The Board of Directors of Catcha Digital (**"Board"**) have seen and approved all the documentation relating to the Rights Issue. Our Board collectively and individually accept full responsibility for the accuracy of the information contained in the Abridged Prospectus. Having made all reasonable enquiries, and to the best of their knowledge and belief, they confirm there is no false or misleading statements or other facts which if omitted, would make any statement in the Abridged Prospectus false or misleading.

The provisionally allotted Rights Shares (**"Provisional Allotments"**) are prescribed securities pursuant to Section 14(5) of the Securities Industry (Central Depositories) Act 1991 as amended from time to time (**"SICDA"**) and therefore, the SICDA (including all amendments thereof) and the Rules of Bursa Depository shall apply in respect of dealings in the Provisional Allotments.

Unless otherwise stated, the unit of currency used in this RSF is Ringgit Malaysia (or **"RM"** in abbreviation) and sen.

INSTRUCTIONS:

(I) LAST TIME, DAY AND DATE FOR ACCEPTANCE AND PAYMENT

The last time, day and date for acceptance of and payment for the Rights Shares is at 5.00 p.m. on Friday, 14 July 2023 (**"Closing Date"**).

(II) FULL OR PARTIAL ACCEPTANCE AND PAYMENT FOR THE RIGHTS SHARES

The Rights Issue is renounceable in full or in part. If you wish to accept your entitlement to the Provisional Allotments, please complete Parts I(A) and II of this RSF in accordance with the notes and instructions contained in this RSF. Each completed and signed RSF together with the relevant payment must be despatched by **ORDINARY POST**, **COURIER** or **DELIVERED BY HAND** (at your own risk) to Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia. Each completed RSF must be accompanied by the appropriate remittance in RM for the full amount payable for the Rights Shares accepted in the form of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia and made payable to **"CATCHA DIGITAL RIGHTS ISSUE ACC"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters to be received by Boardroom Share Registrars Sdn Bhd by 5.00 p.m. on Closing Date. The payment must be made for the exact amount payable for the Rights Shares accepted. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed herein are not acceptable.

Applications accompanied by payments other than in the manner stated above or with excess or insufficient remittances may or may not be accepted at the absolute discretion of our Board. Details of the remittances must be filled in the appropriate boxes provided in this RSF.

No acknowledgement will be issued for the receipt of this RSF or application monies in respect of the Rights Issue. However, if your application is successful, a Notice of Allotment will be despatched to you by ordinary post to the address as shown on the Record of Depositors at your own risk within eight (8) Market Days from the Closing Date for the Rights Shares or such other period as may be prescribed by Bursa Securities.

Where an application is not accepted or is partially accepted, the full amount or the balance of the application monies, as the case may be, will be refunded without interest and shall be despatched to the applicant by ordinary post to the address as shown on the Record of Depositors provided by Bursa Depository at your own risk within fifteen (15) Market Days from the Closing Date.

(III) APPLICATION FOR THE EXCESS RIGHTS SHARES

Payment for the excess Rights Shares applied for should be made in the form of banker's draft or cashier's order or money order or postal order drawn on a bank or post office in Malaysia made payable to **"CATCHA DIGITAL EXCESS RIGHTS ISSUE ACC"**, crossed **"ACCOUNT PAYEE ONLY"** and endorsed on the reverse side with your name, contact number, address and your CDS Account number in block letters to be received by our Share Registrar, Boardroom Share Registrars Sdn Bhd by 5.00 p.m on Closing Date. The payment must be made for the exact amount payable for the excess Rights Shares applied. Any excess or insufficient payment may be rejected at the absolute discretion of our Board. Cheques or other mode(s) of payment not prescribed here are not acceptable.

No acknowledgement will be issued for successful excess Rights Shares applications but a Notice of Allotment will be despatched to successful applicants by ordinary post to the address as shown on the Record of Depositors at your own risk within eight (8) Market Days from the Closing Date or such other period as may be prescribed by Bursa Securities.

In respect of unsuccessful or partially successful applications for the excess Rights Shares, the full amount or the surplus application monies, as the case may be, will be refunded without interest by ordinary post to the address as shown on the Record of Depositors at your own risk within fifteen (15) Market Days from the Closing Date.

It is the intention of our Board to allocate the excess Rights Shares applied for in a fair and equitable manner. As such, the basis on which our Board intends to allot the excess Rights Shares is in the following priority: -

(i) firstly, to minimise the incidence of odd lots;
(ii) secondly, for allocation to the entitled shareholders who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as per their CDS Account on the Entitlement Date;
(iii) thirdly, for allocation to the entitled shareholders who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of excess Rights Shares they applied for; and
(iv) lastly, for allocation to renouncee(s)/transferee(s) (if applicable) who have applied for excess Rights Shares, on a pro-rata basis and in board lots, calculated based on the quantum of their respective number of excess Rights Shares they applied for.

In the event there is any balance excess Rights Shares after steps (i) to (iv) are carried out, steps (ii) to (iv) will be repeated to allocate the balance excess Rights Shares.

Nevertheless, our Board reserves the right to allocate any excess Rights Shares applied for under Part I(B) of this RSF in such manner as it deems fit and expedient, and in the best interests of our Company, subject always to such allocation being made on a fair and equitable basis, and that the intention of our Board as set out in (i) to (iv) above is achieved. Our Board also reserves the right to allocate any excess Rights Shares, in full or in part, without assigning any reason thereof.

(IV) SALE OR TRANSFER OF PROVISIONAL ALLOTMENTS

If you wish to sell or transfer all or part of your entitlement to the Provisional Allotments to one (1) or more persons, you may do so through your stockbroker for the period up to the last day, date and time for sale or transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository) without first having to request our Company for a split of the Provisional Allotments standing to the credit of your CDS Account. To sell or transfer all or part of your entitlement to the Provisional Allotments, you may sell such entitlement on the open market for the period up to the last day, date and time for sale of the Provisional Allotments (in accordance with the Rules of Bursa Depository) or transfer such entitlement to such persons as may be allowed under the Rules of Bursa Depository for the period up to the last day, date and time for transfer of the Provisional Allotments (in accordance with the Rules of Bursa Depository).

You are advised to read and adhere to this RSF and the notes and instructions contained in this RSF. In selling or transferring all or part of your Provisional Allotments, you are not required to deliver any documents, including this RSF to your stockbrokers. You are however advised to ensure that you have sufficient number of Provisional Allotments standing to the credit of your CDS Account available for settlement of the sale or transfer.

If you have sold or transferred only part of the Provisional Allotments, you may still accept the balance of the Provisional Allotments by completing Parts I(A) and II of this RSF. You should note that all RSF and remittances so lodged with Boardroom Share Registrars Sdn Bhd will be irrevocable and cannot subsequently be withdrawn.

(V) GENERAL INSTRUCTIONS

(a) All applicants must sign on the front page of this RSF. All corporate bodies must affix their Common Seals.
(b) A Malaysian Revenue Stamp (NOT POSTAGE STAMP) of RM10.00 must be affixed on this RSF.
(c) The Rights Shares subscribed by the entitled shareholders and/or their renouncee(s)/transferee(s) (if applicable) will be credited into their respective CDS Accounts as stated in this RSF or the exact account(s) appearing on Bursa Depository's record of depositors.
(d) Any interest or other benefit accruing on or arising from or in connection with any application monies shall be for the benefit of our Company and our Company shall not be under any obligation to account for such interest or other benefit to you.
(e) The contract arising from the acceptance of the Provisional Allotments by you shall be governed by and construed in accordance with the laws of Malaysia, and you shall be deemed to have irrevocably and unconditionally submitted to the exclusive jurisdiction of the courts of Malaysia in respect of any matter in connection with this RSF and the contract arising therefrom.
(f) Our Company reserves the right to accept or reject any acceptance and/or application if the instructions above are not strictly adhered to or which are illegible.
(g) Entitled Shareholders and/or their renouncee(s)/transferee(s) (if applicable) should note that this RSF and remittances so lodged with Catcha Digital's Share Registrar shall be irrevocable and shall not be subsequently withdrawn.

(VI) BY WAY OF ELECTRONIC APPLICATION

Please refer to Section 10 of the Abridged Prospectus for further details on the instructions for acceptance, payment, sale or transfer and excess application for the Rights Issue by way of Electronic Application.