

Registration No.:

199201019333

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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.7 INCOME TAX (CONT'D)**

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carry forward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

**3.8 PROVISIONS**

Provisions are made when the Company has a present legal or constructive obligation as a result of past events, when it is probable that a transfer of economic benefits will be required in settlement, and when a reliable estimate of the obligation can be made.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

**3.9 FINANCIAL INSTRUMENTS****(a) Initial recognition and measurement**

The Company recognises a financial asset or a financial liability in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial assets and financial liabilities are measured at fair value, which is generally the transaction price, plus transaction costs if the financial

Registration No.:

199201019333

250837	P
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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.9 FINANCIAL INSTRUMENTS (CONT'D)**

**(A) Initial recognition and measurement (cont'd)**

asset or financial liability is not measured at fair value through profit or loss. For instruments measured at fair value through profit or loss, transaction costs are expensed to profit or loss when incurred.

**(b) Subsequent measurement of financial assets**

After initial recognition measurement, the Company measures its financial assets which are debt instruments at amortised cost using the effective interest method.

All financial assets (other than financial asset measured at fair value through profit or loss) are subject to review for impairment in accordance with impairment and uncollectibility of financial assets.

**(c) Subsequent measurement of financial liabilities**

After initial recognition, the Company measures its financial liabilities at amortised cost using the effective interest method.

**(d) Recognition of gains and losses**

For financial assets and liabilities carried at amortised cost, a gain or loss is recognised in profit or loss only when the financial asset or liability is derecognised or impaired, and through the amortisation process of the instrument.

**(e) Impairment of financial assets**

At the end of each reporting period, financial assets that are measured at cost or amortised cost are assessed as whether there is objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For a financial asset measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

If such a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.9 FINANCIAL INSTRUMENTS (CONT'D)****(e) Impairment of financial assets (cont'd)**

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in profit or loss.

**(f) Derecognition of financial instruments**

For derecognition purposes, the Company first determines whether a financial asset or a financial liability should be derecognised in its entirety as a single item or derecognised part-by-part of a single item or of a group of similar items.

A financial asset, whether as a single item or as a part, is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire, or when the Company transfers the contractual rights to receive cash flows of the financial asset, including circumstances when the Company acts only as a collecting agent of the transferee, and retains no significant risks and rewards of ownership of the financial asset or no continuing involvement in the control of the financial asset transferred.

A financial liability is derecognised when, and only when, it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. 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.

For this purpose, the Company considers a modification as substantial if the present value of the revised cash flows of the modified terms discounted at the original effective interest rate differs by 10% or more when compared with the carrying amount of the original liability.

**3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS**

The carrying amounts of non-financial assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If such an indication exists, the assets' recoverable amounts are estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. All impairment losses are charged to profit or loss.

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



Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.10 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONT'D)**

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

**3.11 LEASES****a) Finance leases and hire purchase**

Assets acquired under financed leases and hire purchase which transfer substantially at the risks and rewards to the Company are recognized initially at amounts equal to the fair value of the leased assets or if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this practicable to determine; if not the incremental borrowing rate of the Company is used.

Any initial direct costs incurred by the Company are added to the amount recognized as an asset. The assets are capitalised as property, plant and equipment and the corresponding liability to the lessor are treated as finance lease obligations. The property, plant and equipment capitalized are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability using the effective interest method. The finance charges are recognised in the profit or loss over the period of the lease term so as to produce a constant periodic rate on the remaining lease and hire purchase liabilities.

**b) Operating leases**

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Lease payments are under operating leases are recognised as an expense on a straight-line basis over the lease term.

**3.12 TRADE RECEIVABLES**

Trade receivables are recognised initially at the transaction prices. They are subsequently measured at the undiscounted amount of cash expected to be received, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.13 INVENTORIES**

Inventories are stated at the lower of cost and estimated selling price less costs to complete the sale.

The cost comprises all costs of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of conversion includes costs directly related to the units of production, and a proportion of fixed production overheads based on the normal capacity of the production facilities.

At each reporting date, Inventories are assessed for impairment. If the inventory is impaired, the carrying amount is reduced to its selling price less costs to complete the sale; the impairment loss is recognized immediately in the statement of comprehensive income. When the impairment indicators no longer exist, the impairment loss is reversed and a new carrying amount is the lower of the cost and the revised selling price less costs to complete the sale.

**3.14 EMPLOYEE BENEFITS OBLIGATIONS****a) Short term employee benefits**

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related services are recognised in respect of employees' services up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled.

**b) Defined contribution plans**

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity (a fund) and has no legal or constructive obligations to pay further contribution or make direct benefit payments to the employees if the fund does not hold sufficient assets to pay all employees benefits relating to the employee service in the current or prior periods.

Contributions are recognised as employee benefits expenses when they are due unless the form part of the costs of an asset such as inventories or property, plant and equipment. If contribution payments exceed the contribution due for service, the excess is recognized as an asset to the extent that the prepayment will reduce future payments.

**c) Profit sharing and bonus plan**

The Company recognizes the expected cost of profit-sharing and bonus payments only when the Company has a present legal or constructive obligation (no realistic alternative but to make such payments) and a reliable estimate of the obligation can be made.

Registration No.:  
199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.14 EMPLOYEE BENEFITS OBLIGATIONS (CONT'D)****d) Profit sharing and bonus plan (cont'd)**

Profit-sharing and bonuses payable within 12 months or more after the end of the period in which the employees rendered the related services are measured at the undiscounted amount of benefits expected to be paid in exchange for that service. These short-term benefits are recognised in statement of comprehensive income unless they form part of an asset such as inventories or property, plant and equipment.

Profit-sharing and bonuses payable within 12 months or more after the end of the period in which the employees render the related service are measured at the present value of obligations at the reporting date. Changes in the liabilities are recognised in statement of comprehensive income unless they form part of the costs of an asset such as inventories or property, plant and equipment.

**e) Termination benefits**

Termination benefits are payments due to employees are a result of the decision of the Company to terminate the employment or an employee's decision to accept voluntarily an offer of benefits by the Company in exchange for termination of employment. They are recognised as a liability and an expense only when the Company is demonstrably committed to a termination, which the Company has a detailed formal plan for termination and without realistic possibility or withdrawal from the plan.

The Company measures termination benefits at the best estimate of the expenditure that would be required to settle the obligation at the reporting date. If the termination benefits are due more than 12 months after the end of the reporting period, they are then measured at their discounted present value.

**3.15 SHARE CAPITAL**

Ordinary shares issued that carry no put option and no mandatory contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company are classified as equity instruments.

**3.16 STATEMENTS OF CASH FLOWS**

The Company adopts the indirect method in the preparation of the statement of cash flows.

Cash equivalents are short-term, highly liquid investments that are readily convertible to cash with insignificant risk of changes in value.



Registration No.:

199201019333

250837	P
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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.17 TRADE PAYABLES**

Trade payables are recognised initially at the transaction prices, and subsequently measured at the undiscounted amount of cash expected to be paid.

**3.18 REVENUE RECOGNITION**

Revenue is measured at fair value of their consideration received or receivable for the sale of goods and services rendered. Revenue is shown net of goods and services tax, returns, rebates and discounts and amount collected on behalf of third parties.

(a) Sale of goods and services

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the buyer and where the Company does not have continuing managerial involvement and effective control over the goods sold.

Revenue from services rendered is recognised in accordance to the term of arrangements and is measured at the fair value of consideration received or receivable.

(b) Interest income

Interest income is recognized using the effective interest method. Interest income also consist of late payment charges receivable from customer.

**3.19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions on the reported amounts of revenue, expenses, assets and liabilities, and the disclosures of contingent liabilities at the reporting date. The Company makes estimates and assumptions concerning the future; that rarely equal the related actual results.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial years are outlined below:

Current and deferred taxes

The Company is subject to income tax whereby significant judgement is required in

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****3.19 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)**Current and deferred taxes (Cont'd)

determining the capital allowances and deductibility of certain expenses during estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the course of ordinary business.

The Company recognises liabilities for tax matter based on estimates of whether additional taxes will be due. If the final outcome of these tax matters is different from the amounts that were initially recognised, such difference will impact the current tax and/or deferred tax provisions in the financial period in which such determination is made.

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against unutilised tax losses and deductible temporary differences can be utilised. This involves judgement regarding the future financial performance of the Company in which the deferred tax asset has been recognised.

Classification of non-current bank borrowings

Term loans, finance leases and hire purchase arrangements entered into by the Company include repayment on demand clauses at the discretion of financial institutions. The Company believes that in the absence of a default being committed by the Company, these financial institutions are not entitled to exercise its right to demand for repayment. Accordingly, the carrying amount of term loans, finance leases and hire purchase obligations have been classified between current and non-current liabilities based on their repayment period.

Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives determined by the management; which ranges from 1 to 13 years which are the common life expectancy of these assets. Changes in the expected level of usage and technological developments could have an impact on the economic useful lives and residual values of these assets and therefore may require revision in depreciation charges in the future.



**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837	P
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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**4. PROPERTY, PLANT AND EQUIPMENT**

	As at 1/1/2023	Additions	Disposals	As at 31/12/2023
<b>Cost</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Air-conditioner	60,228	2,220	-	62,448
Fax machine	2,190	-	-	2,190
Electrical installations	144,441	-	-	144,441
Motor vehicles	725,269	45,744	-	771,013
Office equipment	82,232	878	-	83,110
Computer equipment	237,443	54,266	-	291,709
Furniture & fittings	220,853	6,830	-	227,683
Signboard	10,460	-	-	10,460
Renovations	341,492	-	-	341,492
	<b>1,824,608</b>	<b>109,938</b>		<b>1,934,546</b>

	As at 1/1/2023	Additions	Disposals	As at 31/12/2023
<b>Accumulated Depreciation</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Air-conditioner	52,232	2,958	-	55,190
Fax machine	2,190	-	-	2,190
Electrical installations	104,616	13,275	-	117,891
Motor vehicles	242,756	129,777	-	372,533
Office equipment	59,316	5,370	-	64,686
Computer equipment	198,864	27,723	-	226,587
Furniture & fittings	158,014	19,917	-	177,931
Signboard	7,925	844	-	8,769
Renovations	259,906	27,020	-	286,926
	<b>1,085,819</b>	<b>226,884</b>	<b>-</b>	<b>1,312,703</b>

	As at 31/12/2023	As at 31/12/2022
<b>Net carrying amount</b>	<b>RM</b>	<b>RM</b>
Air-conditioner	7,258	7,996
Fax machine	-	-
Electrical installations	26,550	39,825
Motor vehicles	398,480	482,513
Office equipment	18,424	22,916
Computer equipment	65,122	38,579
Furniture & fittings	49,752	62,839
Signboard	1,691	2,535
Renovations	54,566	81,586
	<b>621,843</b>	<b>738,789</b>

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837	P
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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

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

**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	<u>2023</u> RM	<u>2022</u> RM
The Company acquired property, plant and equipment through cash payments during the year under review as follows:-	71,038	29,344
Property, plant and equipment acquired through hire purchase arrangement:	642,101	603,141
<u>Motor vehicles</u>		
Net carrying amount at year end	398,480	482,513
Property, plant and equipment fully depreciated as of the year end at cost but still in use by the Company amounted to RM 122,128 (2022: RM 122,128).		

**5. INTANGIBLE ASSETS**

**SOFTWARE (DEVELOPMENT COSTS)**

The Company's info-tech team continuously develops various uniquely-designed application software, to integrate the use of computers and related info-tech gadgets for commercial use and application in the retailing industries for the company's customers.

Development costs that are directly attributable to the designing-testing of these identifiable uniquely developed application software [to integrate with computers and info-tech gadgets] controlled by the Company are recognised as intangible assets.

Costs that are capitalised as part of these identifiable commercial software product include direct software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet the criteria stipulated in Note 3.2 earlier are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

These commercially developed application computer software are separately recognised as assets from property, plant and equipment from the point at which the asset is ready for use over their estimated useful lives, which does not exceed three (3) years.

	<u>2023</u> RM	<u>2022</u> RM
Software costs recognised as of the year end 31 December 2023	583,477	220,167

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837	P
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**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**6 OTHER INVESTMENT**

Quoted shares in Malaysia, at cost	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
At beginning of the year	52,197	52,197
Additions during the year	-	-
Disposal during the year	(52,197)	-
	<u>-</u>	<u>52,197</u>
Fair value based on closing market price quotation on the Bursa Malaysia Securities Berhad as at year end date.	<u>-</u>	<u>44,800</u>

**7 INVENTORIES**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Information Technology - equipment, cash registers and related accessories at cost	<u>81,201</u>	<u>81,201</u>

**8 TRADE RECEIVABLES**

The Company provides a credit term of between 30 to 90 days to customers; otherwise credit terms are assessed on a case to case basis by the management.

**9 OTHER RECEIVABLES, SUNDRY DEPOSITS AND PREPAYMENTS**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Other receivables (including income tax recoverable)	2,161,235	23,028
Sundry deposits	79,200	638,900
Prepayments	36,365	22,959
	<u>2,276,800</u>	<u>684,887</u>

Other receivables, sundry deposits and prepayments consist of advanced payments for certain expenditures, deposits in the ordinary course of business and these advances are unsecured, interest free and refundable in cash or cash equivalent.



**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837	P
--------	---

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**10 CASH AND CASH EQUIVALENTS**

	<u>2023</u> RM	<u>2022</u> RM
Cash in hand	9,000	10,389
Cash at bank	57,718	1,690,862
	<u>66,718</u>	<u>1,701,251</u>

**11 SHARE CAPITAL**

Issued and fully paid	Number of ordinary shares with no par value			
	2023 Units	2022 Units	2023 RM	2022 RM
At beginning and end of financial year end				
Ordinary shares	100,000	100,000	100,000	100,000

**12 RETAINED PROFITS**

The Company's retained profits at the year of the end are all distributable as dividends under the single tier systems.

**13 BORROWINGS**

	<u>2023</u> RM	<u>2022</u> RM
<b>Current</b>		
Secured – Murabahah Term Financing-I & Fixed Term Loan	90,899	100,000
Hire purchase creditor	84,018	84,018
<b>Non-current</b>		
Secured- Murabahah Term Financing-I & Fixed Term Loan	1,107,845	877,644
Hire purchase creditor	223,168	279,970
	<u>1,50,930</u>	<u>1,341,632</u>

Borrowings under Murabahah Term Financing-I & Fixed Term Loan

During the year under review, the Company had accepted and secured an additional fixed loan facility from a financial institution at a financing rate of 4 % p.a (fixed) for a tenure of 7 Years. (2022: an Islamic Financing Facility at a financing rate based on a Ceiling Profit Rate of Base Financing Rate (BFR) + 4% p.a. or 10.0% p.a. whichever is higher. BFR is currently at 5.65%)

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****13. BORROWINGS (CONT'D)**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
<b>Hire purchase and finance lease liabilities</b>		
<u>Future minimum lease payments</u>		
Not later than one (1) year	101,652	226,680
Later than one (1) year but not later than 2 years	101,652	226,680
Later than two (2) years but not later than five (5) years	145,414	1,266,578
Total future minimum lease payments	348,718	1,719,938
Less: Future finance charges	34,359	378,306
Present value of finance lease liabilities	<u>314,975</u>	<u>1,341,632</u>
 <u>Present value of finance lease liabilities</u>		
Not later than one (1) year	91,807	184,018
Later than one (1) year but not later than 2 years	91,807	184,018
Later than two (2) years but not later than five (5) years	131,361	973,596
	314,975	1,341,632
Less: Amount due within 12 months	91,807	184,018
Amount due after 12 months	<u>223,168</u>	<u>1,157,614</u>

Borrowings under Murabahah Term Financing-i (Cont'd)

The facility is secured as follows:-

- Letter of Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad under the Pemulih Government Guarantee Scheme-I;
- Jointly & severally guaranteed by ALL directors of the Company;
- Corporate Guaranteed by BEST FORTUNE SDN. BHD. (201301035320 [1065148-M])

Borrowings under Fixed Term Loan (Cont'd)

- Jointly & severally guaranteed by ALL directors of the Company;
- Corporate Guaranteed by DAY ONE SOLUTIONS SDN.BHD. (202101023689/[1423989-A])

Borrowings under Hire Purchase Arrangement

Hire purchase and lease liabilities are effectively secured rights to the leased assets reverted to the lessor in the event of default. Effective interest rate on the finance lease and hire purchase for the year is between 3.39% to 3.87% (2022: 3.87%) per annum.

**14. TRADE PAYABLES**

The Company enjoys a credit term of between 30 to 90 days from trade suppliers.

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**15 OTHER PAYABLES AND ACCRUED LIABILITIES**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Other payables	13,540	10,889
Sales and services tax payable	35,178	37,234
Accrued liabilities	483,624	444,887
	<u>532,242</u>	<u>493,010</u>

Other payables consist of advanced payments received from thirds parties in the ordinary course of business; and these are unsecured, interest free and repayable on demand in cash or cash equivalent.

**16 REVENUE**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Sales of goods and services	<u>6,285,861</u>	<u>8,436,921</u>

**17 OTHER OPERATING INCOME**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Dividend received	900	1,800
Gain on disposal of property, plant and equipment	7,000	159,000
Other service income from a related party	941,968	1,506
	<u>949,868</u>	<u>162,306</u>

**18 EMPLOYEE BENEFITS**

	<u>2023</u>	<u>2022</u>
	<b>RM</b>	<b>RM</b>
Directors' remuneration [Note 19]	826,150	647,640
Employee provident fund contributions	499,280	425,747
Employment insurance scheme contribution	4,625	3,591
Salaries, wages, overtime, allowances and commission	2,467,064	1,647,582
Socso & HRDF contributions	42,272	59,874
Staff bonus and ang pow	476,896	360,797
	<u>4,316,287</u>	<u>3,145,231</u>



**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****18 EMPLOYEE BENEFITS (CONT'D)**

	2023	2022
	RM	RM
Contributions attributable to directors:		
Employee provident fund contributions	148,137	107,221
HRDF contributions	7,151	5,234
Soeco contributions	3,926	3,340
	<u>159,214</u>	<u>115,795</u>

**19 KEY MANAGEMENT PERSONNEL COMPENSATION**

	2023	2022
	RM	RM
Directors' remuneration	684,480	523,440
Directors' bonus	110,070	124,200
Directors' allowance	30,600	-
	<u>826,150</u>	<u>647,640</u>

**20 FINANCE COSTS**

	2023	2022
	RM	RM
Hire purchase and finance lease interest	<u>9,185</u>	<u>5,684</u>

**21 PROFIT BEFORE TAX**

	2023	2022
	RM	RM
Profit from operations is stated after charging:		
Auditors' remuneration	8,500	8,500
Amortisation of self-developed software	73,389	73,389
Depreciation of property, plant and equipment	226,884	214,015
Directors' remuneration, bonus, allowance and fees (Note 19)	826,150	647,640
Employees benefits (excluding directors' remuneration - Note 18)	3,490,137	2,497,591
Hire purchase and finance lease interest	9,185	5,684
Rental	133,600	145,200
And crediting:		
Dividend income	900	850
Wage subsidies from Soeco	-	-
Gain on disposal of property, plant and equipment	7,000	159,000
Sundry income	<u>941,968</u>	<u>1,506</u>

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:  
199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

**22 INCOME TAX EXPENSE**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>Current tax expense</b>		
- Current year	171,112	157,514
	<u>171,112</u>	<u>157,514</u>

The explanation of the relationship between tax expense and profit before taxation is as follows:

	2023	2022
	RM	RM
Numerical reconciliation between effective tax rate and the Malaysian tax rate:		
Profit before tax	715,881	744,306
Income tax charge at statutory tax rate of 24% (2021:24%)	171,811	178,633
Non-taxable income	(1,262)	(38,592)
Effect of income subject to tax rate of 17%	(42,476)	(52,101)
Expense not deductible for tax purpose	84,854	79,087
Tax effect of deferred tax	-	-
Utilisation of capital allowance	<u>(41,815)</u>	<u>(9,513)</u>
Tax (income)/ expense	<u>171,112</u>	<u>157,514</u>

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****23 FINANCIAL INSTRUMENTS****Financial Risk Management Objectives and Policies**

The operations of the Company are subject to variety of risks, including interest rate risk, foreign currency risk, credit risk, liquidity risk and cash flow risk. It is the Company's policy not to engage in speculative transactions. The Company has adopted following policies to minimise the Company's exposure to risks and or/cost associated with financing, investing and operating activities of the Company:-

**i) Interest rate risk**

The Company's exposure to interest risk arises from the impact of interest rate changes charged by the bank from interest bearing borrowings and hire purchase payables. Interest rate of hire purchase payables are fixed at the inception of the hire purchase arrangement.

As the Company has no significant borrowings from banks, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rates on hire purchase payables are disclosed in Note 13 to the financial statements.

**ii) Foreign currency risk**

The Company is deemed exposed to minimal foreign exchange risk as its operations are not substantially denominated in foreign currency; other than certain overseas payment denominated in foreign currency for services rendered during the course of its operations. The costs of these services are normally passed on to customers as they are incurred.

**iii) Liquidity risk**

The Company practices prudent liquidity risk management to minimize mismatch of financial assets with liabilities and maintain sufficient cash resources to fund working capital requirement.

**iv) Cash flow risk**

The company consistently reviews its cash flow position regularly to manage its cash flow requirement to ensure that all its' commitments are met as they fall due.



**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****23 FINANCIAL INSTRUMENTS (CONT'D)****Financial Risk Management Objectives and Policies (Cont'd)****v) Credit risk**

The Company is exposed to credit risk mainly from trade receivables and other receivables; and the Company extends credit to its customers based upon careful evaluation of the customers' financial condition and credit history.

**Fair Value of Financial Assets and Financial Liabilities**

The carrying amounts of the Company's financial assets and liabilities (financial instruments of the Company) as of 31 December 2023 are reasonable approximation of fair values due to their short-term nature.

**24 ADOPTION OF NEW AND REVISED MALAYSIAN FINANCIAL REPORTING STANDARDS****NEW MFRSs ADOPTED DURING THE FINANCIAL YEAR**

On 1 January 2021, the Company has adopted the following MFRS and Amendments to MFRSs issued by the Malaysian Accounting Standards Board, effective for the annual periods beginning on or after 1 January 2021:

	<b>New/Amendments to MFRSs and IC Interpretation effective for the first time</b>	<b>Effective on/after</b>
1	Covid-19-Related Rent Concessions' (Amendments to MFRS 16 Leases)	1 June 2021
2	Interest Rate Benchmark—Phase 2 (Amendments to MFRS 7)	1 January 2022

The adoption of the above MFRSs and Amendments to MFRSs does not have any material impact to the financial statements of the Company.

The Company has not adopted the following MFRSs, Amendments to MFRSs and IC Interpretations that have been issued but are not yet effective:

	<b>New/Amendments to MFRSs not yet effective but available for early adoption</b>	<b>Effective on/after</b>
1	'Covid-19 – Related Rent Concessions beyond 30 June 2022' (Amendment to MFRS 16 Leases)	1 April 2022

**APPENDIX III – AUDITED FINANCIAL STATEMENTS OF GSSB FOR FYE 2023 (Cont'd)**

Registration No.:

199201019333

250837

P

**GROSS SYNERGY SDN. BHD.**

(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023****NEW MFRSs ADOPTED DURING THE FINANCIAL YEAR (Cont'd)**

	<b>New/Amendments to MFRSs not yet effective but available for early adoption</b>	<b>Effective on/after</b>
2	'Reference to the Conceptual Framework' (Amendments to MFRS 3 Business Combinations)	1 January 2022
3	Property, Plant and Equipment Proceeds before Intended Use' (Amendments to MFRS 116 Property, Plant and Equipment)	1 January 2022
4	Onerous Contracts—Cost of Fulfilling a Contract' (Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets)	1 January 2022
5	Annual Improvements to MFRS Standards 2018–2020 (Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, MFRS 9 Financial Instruments and MFRS 141 Agriculture)	1 January 2022
6	Classification of Liabilities as Current or Non-current' (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2023
7	MFRS 17 "Insurance Contracts" and its amendments	1 January 2023
8	Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 Making Materiality Judgements)	1 January 2023
9	'Definition of Accounting Estimates' (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error)	1 January 2023

**26 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS**

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

**22 AUG 2024**

Company No.

1067228

W

201301037399

**DAY ONE TECHNOLOGY SDN. BHD.**  
*(Incorporated in Malaysia)*

STATUTORY FINANCIAL STATEMENTS

AND

REPORTS

FOR THE YEAR ENDED 31 DECEMBER 2023



**K.H. CHONG & CO PLT**

CHARTERED ACCOUNTANTS  
(LLP0033721-LCA) AF 1258



Company No.

1067228

W

201301037399

**DAY ONE TECHNOLOGY SDN. BHD.***(Incorporated in Malaysia)***REPORT AND STATUTORY FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2023**

Contents	Pages
Directors' Report	1 – 5
Statement by Directors	6
Statutory Declaration	6
Independent Auditors' Report	7 – 19
Statement of Financial Position	10
Statement of Comprehensive Income	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 – 31

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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

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Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

The directors hereby submit the report together with the audited financial statements of the Company for the year ended 31 December 2023.

**PRINCIPAL ACTIVITY**

The Company is principally engaged in the business of providing information technology development and support services, general trading to the retailing industries. There has been no significant change in the nature of these activities during the period under review.

**RESULTS**

	<b>Company</b>
	<b>RM</b>
Profit for the year attributable to owners of the Company	<u>549,183</u>

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

**DIVIDENDS**

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

**RESERVES AND PROVISIONS**

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

**SHARES AND DEBENTURES**

The Company has issued 49,000 new shares ordinary shares of RM 1.00 for cash, ranking pari passu in respect with the existing ordinary shares of the Company during the year under review.

**SHARE OPTIONS**

No options have been granted by the Company to any parties during the year to take up unissued shares of the Company.

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

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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

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Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS**

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

HO SOO CHERNG  
DING CHEW KIAT  
CHEOK KIAN HING  
YEOW CHENG HOCK

**DIRECTORS' BENEFITS**

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

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

**DIRECTORS' INTERESTS**

According to the register of directors' shareholding, the interests of directors in office at the end of the period under review in the ordinary shares of the Company and its related corporations during the period under review are as follows:

Share interest in the Company	Number of Ordinary Shares			
	At 01.01.2023	Bought	Sold	At 31.12.2023
HO SOO CHERNG	200	9,800	-	10,000
DING CHEW KIAT	200	9,800	-	10,000
YEOW CHENG HOCK	300	14,700	-	15,000
CHEOK KIAN HING	300	14,700	-	15,000

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

**DIRECTORS' REMUNERATION**

Details of directors' remunerations are set out in Note10 in the financial statements.

**INDEMNITY AND INSURANCE COST**

During the year under review, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

**OTHER STATUTORY INFORMATION**

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

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

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

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

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

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



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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

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Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year under review which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the period and the date of this report which is likely to affect substantially the results of the operations of the Company for the succeeding year.

**AUDITORS' REMUNERATION**

Total amount paid to or receivable by the auditors as remuneration for their services as auditors from the Company are as follows:

	<b>RM</b>
Statutory audit	<u>3,500</u>

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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

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Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

**AUDITORS**

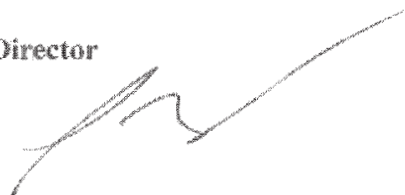
The auditors, Messrs, K.H. Chong & Co PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Directors,



**DING CHEW KEAT**

Director



**HO SOO CHERNG**

Director

Date: **22 AUG 2024**

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023**

**STATEMENT BY DIRECTORS**

The directors of Day One Technology Sdn. Bhd. state that, in their opinion, the financial statements are drawn up in accordance with Malaysian Financial Reporting Standard and the requirements of Companies Act, 2016 in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 31 December 2023 and of the results of its business and the cash flows of the Company for the year ended on that date.

Signed on behalf of the Directors,



**DING CHEW KEAT**  
Director



**HO SOO CHERNG**  
Director

Date: **22 AUG 2024**

**STATUTORY DECLARATION**

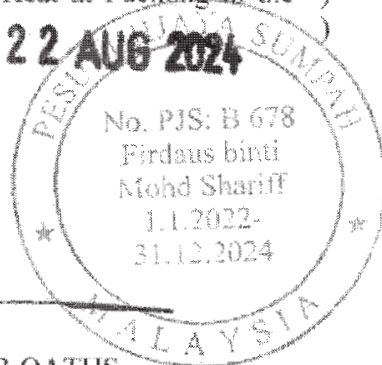
I, Ding Chew Keat (NRIC: 790313-14-5489), the director primarily responsible for the financial management of Day One Technology Sdn. Bhd., do solemnly and sincerely declare that the financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the above Ding Chew Keat at Puchong in the )  
state of Selangor on )

**22 AUG 2024**



Before me,



**COMMISSIONER FOR OATHS**

Lot 12A, Tkt 1,  
Jln BK 5A/2A,  
Bandar Kinrara  
47180 Puchong, Selangor.

**K.H. Chong & Co PLT**  
(LLP0033721-LCA & AF 1258)  
Chartered Accountants  
No. 24-2, Jalan PJS 11/28,  
Bandar Sunway,  
46150 Petaling Jaya, Selangor.  
Tel: 03-56325105 Email: khchongco@yahoo.com



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DAY ONE TECHNOLOGY SDN. BHD.**(Company No.:201301037399(1067228-W))  
(Incorporated in Malaysia)

**Opinion**

We have audited the financial statements of Day One Technology Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 31.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

**Basis for Opinion**

We conducted our audit in accordance with approved standards on auditing in Malaysia. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Malaysia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independence and Other Ethical Responsibilities**

We are independent of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("ByLaws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.





**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DAY ONE TECHNOLOGY SDN. BHD. (Company No.:201301037399(1067228-W))**  
(Incorporated in Malaysia)

**Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

**Responsibilities of Management and Directors for the Financial Statements**

The directors of the Company are responsible for the preparation and fair presentation of the financial statements in accordance with Malaysian Financial Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia, and for such internal control that the sole director determines is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors are responsible for overseeing the Company's financial reporting process.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DAY ONE TECHNOLOGY SDN. BHD. (Company No.:201301037399 (1067228-W))**  
(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
DAY ONE TECHNOLOGY SDN. BHD. (Company No.:201301037399 (1067228-W))**  
(Incorporated in Malaysia)

**Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)**

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

**Other Matters**

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

K.H. CHONG & CO PLT  
LLP0033721-LCA & AF 1258  
Chartered Accountants

CHONG KEAN HUAT  
No. 02032/06/2026 J  
Partner of the firm

Petaling Jaya

Date: **22 AUG 2024**

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
<b>ASSETS</b>			
<b>NON- CURRENT ASSET</b>			
Property, plant and equipment	4	130,883	147,747
<b>CURRENT ASSETS</b>			
Inventories		17,374	30,357
Trade receivables	5	1,834,066	272,897
Other receivables, deposits, and prepayments		13,962	13,734
Tax recoverable		57,224	49,993
Cash and bank balances		298,852	125,318
		<u>2,221,478</u>	<u>492,299</u>
<b>CURRENT LIABILITY</b>			
Trade payables	7	1,039,222	25,610
Borrowings – fixed loan	11	25,905	-
Provision for taxation		-	-
Other payables and accrued liabilities	8	80,004	163,482
		<u>1,145,331</u>	<u>189,092</u>
<b>NET CURRENT ASSETS</b>		1,076,347	303,207
		<u>1,207,230</u>	<u>450,954</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	6	50,000	1,000
Retained earnings		999,137	449,954
		<u>1,049,137</u>	<u>450,954</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	158,093	-
		<u>1,207,230</u>	<u>450,954</u>

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



**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 RM	2022 RM
Revenue	9	4,892,177	1,164,654
Cost of goods & services		<u>(3,726,314)</u>	<u>(703,105)</u>
Gross profit		1,165,863	461,459
Other Income		210	-
Other operating expenses		(25,328)	(25,203)
Administration expenses		(465,588)	(401,464)
Profit from operation	10	<u>675,157</u>	<u>34,882</u>
Finance cost		(5,917)	-
		<u>669,240</u>	<u>34,882</u>
Taxation	12	(120,057)	(1,331)
Net profit for the financial year		<u>549,183</u>	<u>33,551</u>
Total comprehensive income for the year		<u>549,183</u>	<u>33,551</u>

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

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**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

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Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Share capital RM	Retained profits RM	Total RM
As at 1 January 2022	1,000	416,403	417,403
Comprehensive income for the year	<u>-</u>	<u>33,551</u>	<u>33,551</u>
As at 31 December 2022	1,000	449,954	450,954
Increase in paid up	49,000	-	49,000
Comprehensive income for the year	<u>-</u>	<u>549,183</u>	<u>549,183</u>
As at 31 December 2023	<u>50,000</u>	<u>999,137</u>	<u>1,049,137</u>

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

**APPENDIX IV – AUDITED FINANCIAL STATEMENTS OF DOTSB FOR FYE 2023 (Cont'd)**

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	669,240	34,882
Adjustments for:		
Interest expense	5,917	-
Depreciation of property, plant and equipment	25,328	25,203
Operating profit before working capital changes	700,485	60,085
Decrease/(Increase) in inventories	12,983	(11,011)
Increase in trade and other receivables	(1,568,568)	(3,035)
Decrease/Increase in trade and other payables	930,134	53,935
Cash (used in)/generated from operating activities	(625,451)	99,974
Tax paid	(120,116)	(20,004)
Interest paid	(5,917)	-
Net cash (used in)/generated from operating activities	(50,999)	79,970
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	(8,464)	(154,372)
Net cash used in investing activity	(8,464)	(154,372)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	49,000	-
Proceeds from bank loan	200,000	-
Repayment of bank loan	(16,003)	-
Net cash generated from financing activities	232,997	-
Net (decrease)/increase in cash and cash equivalents	173,534	(74,402)
Cash and cash equivalents at the beginning of the year	125,318	199,720
Cash and cash equivalents at the end of the year	298,852	125,318
Represented By:-		
Cash in hand and at bank	298,852	125,318

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

Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**1 GENERAL INFORMATION**

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

The registered office is located at Suite No. 1, First Floor, No. 484B, Jalan Jambu Air Mawar, 52000 Kuala Lumpur, Wilayah Persekutuan.

The principal place of business was located at No. 19B, Jalan Nirwana 35, Taman Nirwana, 68000 Ampang, Selangor Darul Ehsan.

The Company is principally engaged in the business of IT system development and general trading. There has been no significant changes in the nature of the activities during the financial year under review.

The financial statements of the Company are presented in the functional currency, which is the currency of the primary economic environment in which the entity operates.

The functional currency of the Company is Ringgit Malaysia as the sales and purchases are mainly denominated in Ringgit Malaysia and receipts from operations are usually retained in Ringgit Malaysia and funds from financing activities are generated in Ringgit Malaysia.

**2 BASIS OF PREPARATION**

The financial statements of the Company are prepared under the historical cost and fair value conventions.

Accordingly, the financial statements of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and the provisions of the Companies Act 2016 in Malaysia.

**3 SIGNIFICANT ACCOUNTING POLICIES**

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

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

The principal accounting policies adopted are set out below:

**3.1 PROPERTY, PLANT AND EQUIPMENT**

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company



Company No.: 201301037399 (1067228-W)

**DAY ONE TECHNOLOGY SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

**3.1 PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

and the cost of the item can be measured reliably.

The Cost of an item of property, plant and equipment initially recognised comprises its purchase price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Directors.

After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses, except for freehold land.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacement parts of such item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are charged to statement of comprehensive income during the period in which they are incurred.

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

	<b><u>Rate</u></b>
Air-conditioner	10 %
Office equipment	10 to 100 %
Computer	40%
Furniture and fittings	8 to 100%

Depreciation on assets under construction commences when the assets are ready for their intended use.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last annual reporting date.

At each reporting date, the Company assesses whether there is an indication of impairment. If such indication exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount on impairment of non-financial assets other than inventories.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are included in statement of comprehensive income.