

Registration No: 200401024568 (663075 U)

SERIOUS TECHNOLOGY SDN. BHD.

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS

31ST DECEMBER 2020

Registration No: 200401024568 (663075 U)

SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

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SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

CORPORATE INFORMATION

DIRECTORS	Fong Yih Wong Kai Guan
SECRETARY	Soosani Binti Mohd Zain
AUDITORS	Hasnan THL Wong & Partners (No. AF 0942) Chartered Accountants 10, Lorong Universiti B Section 16 46200 Petaling Jaya Selangor Darul Ehsan
REGISTERED OFFICE	B-08-03, Gateway Corporate Suites Gateway Kiaramas No. 1, Jalan Desa Kiara Mon't Kiara, 50480 Kuala Lumpur W. P. Kuala Lumpur
PRINCIPAL PLACE OF BUSINESS	B-3-01, CoPlace 1 2270 Jalan Usahawan 2 63000 Cyberjaya Selangor Darul Ehsan
BANKERS	Malayan Banking Berhad OCBC Bank (M) Berhad

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SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 31st December 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company have been those relating to business of providing all kind of services relating to Information Technology.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	RM
Net loss for the year	<u><u>(378,696)</u></u>

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

ISSUE OF SHARES AND/OR DEBENTURES

No shares and/or debentures were issued during the financial year.

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SHARE OPTIONS

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

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

INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Company were made out, the Directors took reasonable steps :-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that no allowance for doubtful debts was necessary; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their value as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

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

- (a) which would render the amount written off for bad debts inadequate to any substantial extent or to make any allowance for doubtful debts in the financial statements of the Company; or
- (b) which would render the values attributed to the 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.

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

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INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

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

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

OTHER STATUTORY INFORMATION

The Directors state that :-

At the date of this report, they are not aware of any circumstances not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

In their opinion:-

- (a) the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS

The Directors in office since the date of the last report are:-

Fong Yih
Wong Kai Guan

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DIRECTORS (CONT'D)

The shareholdings in the Company during the financial year of those who were Directors at the end of the financial year are as follows:-

<u>Direct interest in the Company</u>	<u>No. of Ordinary Shares</u>			<u>At 31.12.20</u>
	<u>At 01.01.20</u>	<u>Bought</u>	<u>Sold</u>	
Fong Yih	266,668	-	-	266,668
Wong Kai Guan	266,668	-	-	266,668

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Company was 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 financial year, no Director has received or become entitled to receive any benefit (other than as disclosed in the Notes to the Financial Statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has substantial financial interest.

DIRECTORS' REMUNERATIONS

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

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

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

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been the Director, officer or auditor of the Company.

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AUDITORS' REMUNERATIONS

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

	RM
Statutory Audit	<u>5,500</u>

GOING CONCERN

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, the validity of which is dependent upon future profitable operations of the Company and/or the availability of funds for the Company to meet its obligations as and when they fall due.

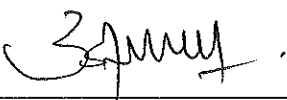
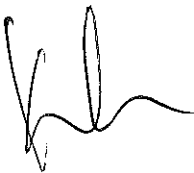
The shareholders of the Company undertake to inject sufficient funds to meet the Company's liabilities as and when they fall due.

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AUDITORS

Messrs Hasnan THL Wong & Partners, the retiring Auditors, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 24th May 2021.

)	
_____)	
FONG YIH)	
)	
)	
)	
)	
)	
)	
)	DIRECTORS
)	
)	
_____)	
WONG KAI GUAN)	

Petaling Jaya, Selangor

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SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

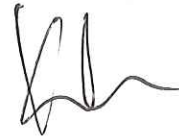
STATEMENT BY THE DIRECTORS

The Directors of **SERIOUS TECHNOLOGY SDN. BHD.** state that, in their opinion, the financial statements set out in pages 15 to 34 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31st December 2020 and of the results of its business and the cash flows of the Company for the financial year ended on that date.

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



FONG YIH



WONG KAI GUAN

Petaling Jaya, Selangor
24th May 2021

STATUTORY DECLARATION

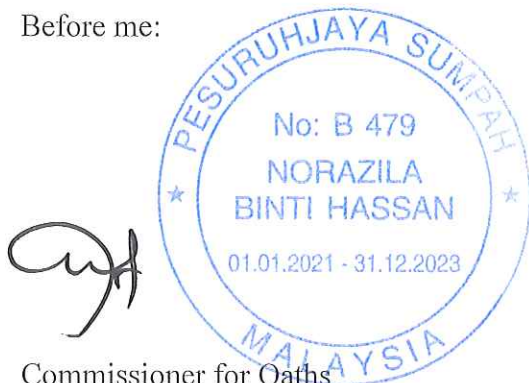
I, **FONG YIH**, I/C No. 750702-01-5219, the Director primarily responsible for the financial management of **SERIOUS TECHNOLOGY SDN. BHD.**, do solemnly and sincerely declare that the financial statements set out on pages 15 to 34 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed FONG YIH,)
I/C No. 750702-01-5219,)
at Petaling Jaya, Selangor)
on 24th May 2021)



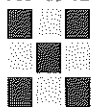
FONG YIH

Before me:



Commissioner for Oaths

Suite A, No. 5, Jalan 14/30,
Section 14,
46100 Petaling Jaya, Selangor



- Audit & Taxation
- Corporate Advisory
- Business Consultancy
- Financial & Accounting Solutions

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF

SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

10, Lorong Universiti B
Seksyen 16, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
T : +603-79565333
F : +603-79586833
E : audit@thlw.com.my

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serious Technology Sdn. Bhd., which comprise the statement of financial position as at 31st December 2020 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31st December 2020 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Private Entities 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 and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a)(i) in the financial statements, which indicates that the Company incurred a net loss of RM 378,696 during the year ended 31 December 2020 and as of that date, the Company's current and total liabilities exceeded its current and total assets by RM 464,068 and RM 462,001 respectively. As stated in Note 2(a)(i), these events or conditions, along with other matters as set forth in Note 2(a)(i), indicate that a material uncertainty exists and may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SERIOUS TECHNOLOGY SDN. BHD. (CONT'D)

(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 the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SERIOUS TECHNOLOGY SDN. BHD. (CONT'D)

(Incorporated in Malaysia)

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

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

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

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

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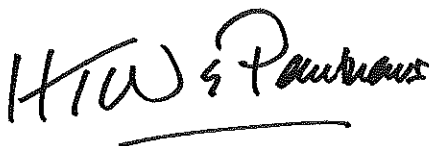
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

SERIOUS TECHNOLOGY SDN. BHD. (CONT'D)

(Incorporated in Malaysia)

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.



HASNAN THL WONG & PARTNERS
NO. AF 0942
CHARTERED ACCOUNTANTS
Petaling Jaya, Selangor
24th May 2021



WONG KOK SEONG
NO. 02791/08/2022 J
CHARTERED ACCOUNTANT

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SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	2,067	5,116
Deferred tax asset	5	-	-
Total non-current assets		<u>2,067</u>	<u>5,116</u>
CURRENT ASSETS			
Trade receivables	6	184,905	184,607
Other receivables		65,864	351,849
Tax in credit		29,800	17,413
Cash and bank balances	7	<u>13,410</u>	<u>28,451</u>
Total current assets		<u>293,979</u>	<u>582,320</u>
TOTAL ASSETS		<u><u>296,046</u></u>	<u><u>587,436</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	8	800,004	800,004
Accumulated losses		<u>(1,262,005)</u>	<u>(883,309)</u>
Total equity		<u>(462,001)</u>	<u>(83,305)</u>
CURRENT LIABILITIES			
Trade payables		77,098	73,333
Other payables	9	639,680	538,139
Amount due to Directors	10	<u>41,269</u>	<u>59,269</u>
Total current liabilities		<u>758,047</u>	<u>670,741</u>
Total liabilities		<u>758,047</u>	<u>670,741</u>
TOTAL EQUITY AND LIABILITIES		<u><u>296,046</u></u>	<u><u>587,436</u></u>

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

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SERIOUS TECHNOLOGY SDN. BHD.
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
Revenue	11	254,019	324,569
Less: Cost of sales		<u>(32,139)</u>	<u>(59,226)</u>
Gross profit		221,880	265,343
Add: Other income		<u>5,725</u>	<u>4,182</u>
		227,605	269,525
Less: Administrative expenses		(394,506)	(123,545)
Other operating expenses		<u>(211,795)</u>	<u>(211,002)</u>
Loss from operating activities	12	(378,696)	(65,022)
Less: Finance costs	13	<u>-</u>	<u>(1,622)</u>
Loss before taxation		(378,696)	(66,644)
Taxation	14	-	(195)
Net loss for the year		<u><u>(378,696)</u></u>	<u><u>(66,839)</u></u>
Total comprehensive expense for the year		<u><u>(378,696)</u></u>	<u><u>(66,839)</u></u>

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

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SERIOUS TECHNOLOGY SDN. BHD.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2020

	SHARE CAPITAL RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Balance at 01.01.19	800,004	(816,470)	(16,466)
Total comprehensive expense for the year	-	(66,839)	(66,839)
Balance at 31.12.19	800,004	(883,309)	(83,305)
Total comprehensive expense for the year	-	(378,696)	(378,696)
Balance at 31.12.20	800,004	(1,262,005)	(462,001)

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

SERIOUS TECHNOLOGY SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>Note</u>	<u>2020</u> RM	<u>2019</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(378,696)	(66,644)
Adjustments for:-			
Bad debts written off		368,880	63,640
Depreciation of property, plant and equipment		3,049	5,256
Loss on foreign currency exchange - unrealised		-	32
Gain on foreign exchange currency - unrealised		(660)	(776)
Term loan interest		-	1,622
Interest received		(2)	(43)
Operating (loss)/profit before working capital changes		(7,429)	3,087
(Increase)/decrease in receivables		(82,533)	393,077
Increase/(decrease) in payables		105,306	(378,805)
(Decrease)/increase in amount due to Directors		(18,000)	8,902
Cash (absorbed by)/generated from operations		(2,656)	26,261
Net of tax (paid)/refund		(12,387)	21,946
Term loan interest		-	(1,622)
Interest received		2	43
Net cash (used in)/from operating activities		(15,041)	46,628
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment	15	-	(2,300)
Net cash used in investing activity		-	(2,300)
CASH FLOWS FROM FINANCING ACTIVITY			
Repayment of term loan		-	(50,045)
Net cash used in financing activity		-	(50,045)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(15,041)	(5,717)
CASH AND CASH EQUIVALENTS BROUGHT FORWARD		28,451	34,168
CASH AND CASH EQUIVALENTS CARRIED FORWARD	7	13,410	28,451

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

SERIOUS TECHNOLOGY SDN. BHD.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31ST DECEMBER 2020

1. GENERAL INFORMATION

The principal activities of the Company have been those relating to business of providing all kind of services relating to Information Technology. There have been no significant changes in the nature of these activities during the financial year.

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at B-08-03, Gateway Corporate Suites, Gateway Kiaramas, No. 1, Jalan Desa Kiara, Mon't Kiara, 50480 Kuala Lumpur, W. P. Kuala Lumpur. The principal place of business of the Company is located at B-3-01, CoPlace 1, 2270 Jalan Usahawan 2, 63000 Cyberjaya, Selangor Darul Ehsan.

The financial statements of the Company are presented in Ringgit Malaysia ("RM").

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 24th May 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements of the Company have been prepared:-

- i) on the basis of accounting principles applicable to a going concern, the validity of which is dependent upon future profitable operations of the Company and/ or the availability of funds for the Company to meet its obligations as and when they fall due. The shareholders have confirmed continued support and the Directors consider the Company retains sufficient working capital to continue operations for the foreseeable future;
- ii) in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 2016 in Malaysia; and
- iii) under the historical cost convention, except for the revaluation of certain assets and liabilities.

b) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property, plant and equipment (cont'd)

i) Recognition and measurement (cont'd)

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" or "other expenses" respectively in profit or loss.

ii) Subsequent costs

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

iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

b) Property, plant and equipment (cont'd)

iii) Depreciation (cont'd)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. The estimated useful lives for the current and comparative periods are as follows:

Computer and software	3 years
Furniture and fittings	6 years
Office equipment	5 years

If there is an indication that there has been a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits, the Company would review its present depreciation method and if current expectations differ, the Company would amend the residual value, depreciation method or useful life to reflect the new pattern.

c) Impairment of non-financial assets

The carrying amounts of non-financial assets (i.e. property, plant and equipment) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or cash-generating units. For the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

c) Impairment of non-financial assets (cont'd)

The recoverable amount of an asset or cash-generating unit 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 risk specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

d) Financial instruments

i) Initial recognition and measurement

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

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (cont'd)

ii) Subsequent measurement

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and
- (c) prepayment option, if any, is not contingent on future events.

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investments in non-puttable ordinary shares and investment in non-convertible and non-puttable preference shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can otherwise be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

All other financial assets or financial liabilities not measured at amortised cost or cost less impairment are measured at fair value with changes recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument 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.
- For an instrument 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) Financial instruments (cont'd)

iii) Derecognition

A financial asset or part of it is derecognised when and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

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

e) Translation of foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at the date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

All foreign currency differences are recognised in profit or loss.

f) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less and are used by the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

g) Equity instruments

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

Ordinary shares

Ordinary shares are classified as equity.

h) Revenue and other income

i) Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

ii) Services

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period when the outcome of the transaction can be estimated reliably. Stage of completion is determined based on the proportion that costs incurred for services rendered to date bear to the estimated total costs.

i) Income tax

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

i) Income tax (cont'd)

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax asset.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

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

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.

j) Employee benefits

The Company recognises a liability when an employee has provided service in exchange for employee benefits to be paid in the future and an expense when the Company consumes the economic benefits arising from service provided by an employee in exchange for employee benefits.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Employee benefits (cont'd)

i) Short-term employee benefits

Wages and salaries are accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

ii) Post-employment benefits - defined contribution plans

The Company makes statutory contributions to approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Company has no further payment obligations.

k) Borrowing costs

Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred by using the effective interest method.

l) Related parties

Related parties are entities with common directors/shareholders wherein one party has the ability to control or exercise significant influence over the other parties in financial or operating policy decision.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

Critical judgements in applying the accounting policies

There is no critical judgement that the management has made in the process of applying the accounting policies and hence, no further disclosure is required.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty

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

i. Depreciation of property, plant and equipment

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

ii. Impairment loss of property, plant and equipment

Changes in technology or industry conditions may cause the estimated period of use or the value of these assets to change. Long-lived assets including property, plant and equipment are reviewed for impairment at least annually or whenever events or changes in circumstances have indicated that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount is estimated.

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgement relating to level of revenue and amount of operating costs. The Company uses all readily available information in determining an amount that is a reasonable approximation of the value in use, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

Key sources of estimation uncertainty (cont'd)

iii. Measurement of income taxes

Significant judgement is required in determining the Company's provision for current and deferred tax because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amount might be different from the initial estimates of the tax payable. Such difference may impact the current and deferred tax in the period when such determination is made. The Company will adjust for the differences as over- or under-provision of current or deferred tax in the current period in which those differences arise.

iv. Loss allowances of financial assets

The Company recognises impairment losses for loans and receivables using the incurred loss model. Individually significant loans and receivables are tested for impairment separately by estimating the cash flows expected to be recoverable. All other loans and receivables are categorised into credit risk classes and tested for impairment collectively, using the Company's past experiences of loss statistics, ageing of past due amounts and current economic trends. The actual eventual losses may be different from the allowances made and these may affect the Company's financial position and results.

4. PROPERTY, PLANT AND EQUIPMENT

	← COST →			
	At <u>01.01.20</u>	<u>Additions</u>	<u>Disposal</u>	At <u>31.12.20</u>
<u>2020</u>	RM	RM	RM	RM
Computer and software	161,742	-	-	161,742
Furniture and fittings	4,998	-	-	4,998
Office equipment	32,733	-	-	32,733
	<u>199,473</u>	<u>-</u>	<u>-</u>	<u>199,473</u>

4. PROPERTY, PLANT AND EQUIPMENT (CONTD)

	← COST →			
<u>2019</u>	At <u>01.01.19</u> RM	<u>Additions</u> RM	<u>Disposal</u> RM	At <u>31.12.19</u> RM
Computer and software	161,742	-	-	161,742
Furniture and fittings	2,698	2,300	-	4,998
Office equipment	32,733	-	-	32,733
	<u>197,173</u>	<u>2,300</u>	<u>-</u>	<u>199,473</u>

	← ACCUMULATED DEPRECIATION →			
<u>2020</u>	At <u>01.01.20/</u> <u>01.01.19</u> RM	Depreciation charge for <u>the year</u> RM	<u>Disposal</u> RM	At <u>31.12.20/</u> <u>31.12.19</u> RM
Computer and software	159,760	1,976	-	161,736
Furniture and fittings	2,603	455	-	3,058
Office equipment	31,994	618	-	32,612
	<u>194,357</u>	<u>3,049</u>	<u>-</u>	<u>197,406</u>

<u>2019</u>				
Computer and software	155,455	4,305	-	159,760
Furniture and fittings	2,320	283	-	2,603
Office equipment	31,326	668	-	31,994
	<u>189,101</u>	<u>5,256</u>	<u>-</u>	<u>194,357</u>

	← NET CARRYING AMOUNT →	
	At <u>2020</u> RM	At <u>2019</u> RM
Computer and software	6	1,982
Furniture and fittings	1,940	2,395
Office equipment	121	739
	<u>2,067</u>	<u>5,116</u>

5. DEFERRED TAX ASSET

The tax effects of temporary differences which would give rise to future net tax benefits are generally recognised only where there is a reasonable expectation of realisation. At the end of each reporting period, the estimated amount of deferred taxation benefits calculated at the current tax rate, that have not been recognised in the financial statements are as follows:-

	<u>2020</u> RM	<u>2019</u> RM
Tax effect of temporary differences in respect of the tax capital allowances	(100)	(600)
Tax effect of unutilised capital allowances	100	-
Tax effect of unabsorbed tax losses	5,000	4,200
Deferred tax asset	<u>5,000</u>	<u>3,600</u>

Deferred tax asset has not been recognised in the financial statements as it is not probable that sufficient taxable profits and temporary differences will be available against which the unutilised capital allowance and unabsorbed tax losses can be utilised.

6. TRADE RECEIVABLES

	<u>2020</u> RM	<u>2019</u> RM
Trade receivables	<u>184,905</u>	<u>184,607</u>

Included in the balance is an amount of RM 128,186 (2019: RM 96,992) due from a company where certain Directors have interest.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following items for the purpose of the statement of cash flows:

	<u>2020</u> RM	<u>2019</u> RM
Cash and bank balances	<u>13,410</u>	<u>28,451</u>

8. SHARE CAPITAL

	<u>2020</u>	<u>2019</u>
	RM	RM
Issued and fully paid:-		
800,004 ordinary shares	<u>800,004</u>	<u>800,004</u>

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

9. OTHER PAYABLES

Included in the balance is an aggregated amount of RM 519,014 (2019: RM 428,245) due to companies where certain Directors have interest.

10. AMOUNT DUE TO DIRECTORS

Amount due to Directors bears no interest, unsecured, repayable on demand and are to be settled in cash.

11. REVENUE

	<u>2020</u>	<u>2019</u>
	RM	RM
Services relating to Information Technology	<u>254,019</u>	<u>324,569</u>

12. LOSS FROM OPERATING ACTIVITIES

Loss from operating activities has been determined after charging/(crediting) amongst other items the following:-

	<u>2020</u>	<u>2019</u>
	RM	RM
Audit fees - current year expense	5,500	6,500
- over provision in prior year	(135)	-
Bad debts written off	368,880	63,640
Depreciation of property, plant and equipment	<u>3,049</u>	<u>5,256</u>

12. LOSS FROM OPERATING ACTIVITIES (CONT'D)

	<u>2020</u> RM	<u>2019</u> RM
Loss on foreign currency exchange - realised	66	5,138
Loss on foreign currency exchange -unrealised	-	32
Office rental	6,686	18,299
Rental of photocopy machine	-	80
Gain on foreign exchange currency - realised	(5,063)	(3,363)
Gain on foreign exchange currency- unrealised	(660)	(776)
Interest received	<u>(2)</u>	<u>(43)</u>

13. FINANCE COSTS

	<u>2020</u> RM	<u>2019</u> RM
Term loan interest	<u>-</u>	<u>1,622</u>
	<u>-</u>	<u>1,622</u>

14. TAXATION

	<u>2020</u> RM	<u>2019</u> RM
Under provision in prior year:		
Tax expenses	<u>-</u>	<u>195</u>

As at 31st December 2020, the Company has unutilised capital allowance and unabsorbed tax losses of approximately RM 600 (2019: RM Nil) and RM 29,600 (2019: RM 24,500) respectively, which is subject to the agreement of the Inland Revenue Board.

Income tax is calculated at the rate of 17% on the first RM 600,000 (2019: RM 500,000) of the estimated taxable profit and 24% on the estimated taxable profit in excess of RM 600,000 (2019: RM 500,000), as enacted by the government. The income tax expense is reconciled to the accounting loss at the applicable tax rate as follows:

14. TAXATION (CONT'D)

	<u>2020</u>	<u>2019</u>
	RM	RM
Loss before taxation	<u>(378,696)</u>	<u>(66,644)</u>
Tax at Malaysian statutory tax rate	(64,378)	(11,329)
Deferred tax asset not recognised	1,400	11,000
Tax effect of non-deductible expenses	62,978	329
Under provision in prior year	-	195
Total income tax expense	<u>-</u>	<u>195</u>

15. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

During the financial year, the Company acquired property, plant and equipment as follows:-

	<u>2020</u>	<u>2019</u>
	RM	RM
Cash payments	<u>-</u>	<u>2,300</u>

16. EMPLOYEES INFORMATION

	<u>2020</u>	<u>2019</u>
	RM	RM
Allowance	19,577	12,000
EIS	190	190
EPF	18,720	18,720
Salary and wages	156,000	156,000
SOCSSO	1,657	1,657
Other personnel costs	3,744	4,498
	<u>199,888</u>	<u>193,065</u>

The total number of employees of the Company (other than the Directors) as at the end of the financial year were 2 (2019: 2).

Registration No: 200401024568 (663075 U)

SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2020

	2020 RM	2019 RM
REVENUE	254,019	324,569
<u>LESS: COST OF SALES</u>		
Purchases	32,139	59,226
GROSS PROFIT	221,880	265,343
<u>ADD: OTHER INCOME</u>		
Gain on foreign exchange currency - realised	5,063	3,363
- unrealised	660	776
Interest received	2	43
	5,725	4,182
	227,605	269,525
<u>LESS: EXPENSES</u>		
Administrative expenses (Appendix A)	394,506	123,545
Other operating expenses (Appendix A)	11,907	17,937
Personnel costs - Other operating expenses (Appendix B)	199,888	193,065
	606,301	334,547
LOSS FROM OPERATING ACTIVITIES	(378,696)	(65,022)
LESS: FINANCE COSTS (APPENDIX B)	-	(1,622)
LOSS BEFORE TAXATION	(378,696)	(66,644)

For management information only.

SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	RM	RM
<u>ADMINISTRATIVE EXPENSES</u>		
Advertisement	-	1,813
Audit fees - current year expense	5,500	6,500
- over provision in prior year	(135)	-
Bad debts written off	368,880	63,640
Depreciation of property, plant and equipment	3,049	5,256
Electricity and water	3,774	4,528
Entertainment	687	2,959
Loss on foreign currency exchange - realised	66	5,138
- unrealised	-	32
Miscellaneous	75	-
Office rental	6,686	18,299
Penalty	25	43
Postage and courier	88	180
Printing and stationery	579	621
Professional fees	2,191	12,120
Rental of photocopy machine	-	80
Secretarial fees	1,100	1,100
Stamp duty	620	389
Subscription	1,321	847
	<u>394,506</u>	<u>123,545</u>
<u>OTHER OPERATING EXPENSES</u>		
Accommodation	604	994
Air ticket	1,713	2,675
Bank charges	516	521
Telephone charges	7,108	8,690
Travelling allowance	1,934	4,671
Upkeep of office	32	9
Upkeep of office equipment	-	377
	<u>11,907</u>	<u>17,937</u>

For management information only.

SERIOUS TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

SCHEDULE OF EXPENDITURE
FOR THE YEAR ENDED 31ST DECEMBER 2020

	<u>2020</u>	<u>2019</u>
	RM	RM
<u>PERSONNEL COSTS</u>		
<u>Other operating expenses</u>		
Allowance	19,577	12,000
Angpow	2,150	400
EIS	190	190
EPF	18,720	18,720
Medical fees	266	1,264
Salary and wages	156,000	156,000
SOC SO	1,657	1,657
Staff welfare	1,328	2,331
Training	-	503
	<u>199,888</u>	<u>193,065</u>
<u>FINANCE COSTS</u>		
Term loan interest	-	1,622
	<u>-</u>	<u>1,622</u>