DEARTIME BERHAD
201901000228 (1309554-D)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2021

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

Contents

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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The Company has not commenced any business during the financial year. The intended principal activity of the Company is to provide life insurance underwriting services.

On 16 November 2021, BNM issued its Stage 2 Sandbox with conditional approval to DearTime Berhad for it to be eligible to commence business under BNM's FinTech Sandbox.

RESULTS

	RM
Net loss for the year	2,045,150

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

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

SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

Subsequent event after the financial year is as disclosed in Note 12 to the financial statements.

DIRECTORS

The names of the Directors of the Company in office since the date of the last report to the date of this report are:

Leong Chin Boon
Mohammad Ridzuan Bin Abdul Aziz
Mohd Ridzal Bin Mohd Sheriff
Wong Teck Meng
Yeah Hai Yong (appointed on 1 May 2022)
Jonathan Ng Choong-Qi (resigned on 1 May 2022)

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

No Director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary and benefits receivable as a full-time employee from related corporations) by reason of a contract made by the Company or a related corporation with the Director or which a firm of which Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' INDEMNITY

During the financial year, the Company did not have a Directors and Officers Liability Insurance cover to provide indemnity to directors of the Company.

DIRECTORS' REMUNERATION

The non-executive Directors are paid Directors' fees, which take into account factors such as the Directors' contributions, effort and time spent, attendance at meetings and frequency of meetings, the respective responsibilities of the Directors including the Board Committees on which they serve, market practices and the need to pay competitive fees to attract, retain and motivate Directors.

DIRECTORS' REMUNERATION (CONTINUED)

The Directors' Remuneration from the Company in respect of FY2021 is shown under Note 7 in the Company's financial statements totalling RM90,000 for Non-Executive Directors and RM120,000 for Executive Director.

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

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interest of Directors in office at the end of the financial year in shares of the Company during the financial year were as follows:

	(Number of ordinary shares)			
	1.1.2021	Acquired	Disposed	31.12.2021
Jonathan Ng Choong-Qi	62,500,000	-	-	62,500,000
Leong Chin Boon	833,000	-	-	833,000

None of the other Directors in office at the end of the financial year had any interests in shares in the Company during financial year.

PAID UP SHARE CAPITAL

During the financial year, the Company has increased its issued and fully paid share capital from RM700,100 to RM7,000,100 for cash, at the following proportion:

a) 2,040,816 ordinary shares issued for cash of RM300,000
b) 6,000,000 irredeemable convertible preference shares ("ICPS") issued for cash of RM6,000,000

OTHER STATUTORY INFORMATION

(a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and

OTHER STATUTORY INFORMATION (CONTINUED)

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances which would render:

(i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Company; and

(ii) the values attributed to the current assets in the financial statements of the Company misleading.

(c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

(i) 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 will or may affect the ability of the Company to meet its obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

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AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

To the extent permitted by law, the Company has agreed to indemnify its auditors as part of the terms of its audit engagement against claims by third parties arising from the audit (for unspecified amount). No payments have been made to indemnify its auditors during or since the financial year.

The auditors' remuneration is as disclosed in Note 3 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 7 June 2022.

Mohd Ridzal Bin Mohd Sheriff

Leong Chin Boon

Kuala Lumpur, Malaysia

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DEARTIME BERHAD
(Incorporated in Malaysia)

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

We, Mohd Ridzal Bin Mohd Sheriff and Leong Chin Boon, being two of the Directors of DearTime Berhad, do hereby state that, in our opinion, the accompanying financial statements set out on pages 11 to 35 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance and the cash flows of the Company the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 7 June 2022.

Mohd Ridzal Bin Mohd Sheriff

Leong Chin Boon

Kuala Lumpur, Malaysia

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

I, Jonathan Ng Choong-Qi, being the officer primarily responsible for the financial management of DearTime Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 35 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 abovenamed, Jonathan Ng Choong-Qi at Kuala Lumpur in the Federal Territory on ~~7 June 2022.~~ 16 JUN 2022

Before me,

Jonathan Ng Choong-Qi

PESURUHJAYA SUMPAH
W 638
KEVIN KOO SENG KIAT
BC/K/765
01.01.2022 – 31.12.2024
MALAYSIA

21-1-1, JALAN MEDAN PUTRA 3
MEDAN PUTRA BUSINESS CENTRE,
BANDAR MANJALARA KEPONG
52200 KUALA LUMPUR.

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Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

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Independent auditors' report to the members of DearTime Berhad (Incorporated in Malaysia)

Report on the financial statements

Opinion

We have audited the financial statements of DearTime Berhad, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") 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 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.

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.

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Independent auditors' report to the members of
DearTime Berhad (con't)
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Information other than the financial statements and auditors' report thereon (cont'd.)

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

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

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

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with MFRS, IFRS 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
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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 judgement 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 of the Company represents 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
DearTime Berhad (con't)
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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.

Ernst & Young PLT	Brandon Bruce Sta Maria
202006000003 (LLP0022760-LCA) & AF:0039	No. 02937/09/2023 J
Chartered Accountants	Chartered Accountant

Kuala Lumpur, Malaysia
7 June 2022

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DEARTIME BERHAD
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Employee benefits expenses		(931,189)	-
Non-executive directors' remuneration		(90,000)	-
Fees and licenses		(9,736)	(30,992)
Company secretarial expenses		(19,586)	(7,919)
Printing and stationary		-	(33)
Office rental		-	(20,200)
Profesional fees and consultancy		(288,900)	(860,000)
Sundry expenses		(4,969)	1,216
Auditors' remuneration		(12,000)	(8,204)
Marketing expenses		(256,396)	(63,600)
IT related expenses		(432,374)	(21,330)
Loss before taxation	3	(2,045,150)	(1,011,062)
Taxation		-	-
Net loss representing total comprehensive loss for the year		(2,045,150)	(1,011,062)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Assets			
Non-current asset			
Software in-development	4	2,462,899	895,000
Total non-current asset		2,462,899	895,000
Current assets			
Other receivables		511,226	3,000
Cash at bank		778,070	2,430
Total current assets		1,289,296	5,430
Total assets		3,752,195	900,430
Current liabilities			
Other payables	5	12,000	1,415,085
Total current liabilities		12,000	1,415,085
Shareholders' equity/(deficit)			
Share capital	6	7,000,099	700,099
Accumulated losses		(3,259,904)	(1,214,754)
Total shareholders' equity/(deficit)		3,740,195	(514,655)
Total liabilities and shareholders' equity		3,752,195	900,430

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2021		700,099	(1,214,754)	(514,655)
Issuance of share capital	6	6,300,000	-	6,300,000
Total comprehensive loss for the year		-	(2,045,150)	(2,045,150)
As at 31 December 2021		7,000,099	(3,259,904)	3,740,195
At 1 January 2020		700,099	(203,692)	496,407
Total comprehensive loss for the year		-	(1,011,062)	(1,011,062)
As at 31 December 2020		700,099	(1,214,754)	(514,655)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 RM	2020 RM
Cash flows from pre-operating activities			
Loss before taxation		(2,045,150)	(1,011,062)
(Increase)/Decrease in other receivables		(508,226)	1,000
(Decrease)/Increase in other payables		(1,403,085)	1,159,234
Net cash generated (used in)/generated from pre-operating activities		(3,956,461)	149,172
Cash flows from investing activitiy			
Payment for software in-development	4	(1,567,899)	(390,000)
Net cash used in investing activity		(1,567,899)	(390,000)
Cash flows from financing activities			
Proceeds from issuance of share capital	6	6,300,000	-
Advances from director	5	-	175,000
Net cash generated from financing activities		6,300,000	175,000
Net increase/(decrease) in cash and cash equivalents		775,640	(65,828)
Cash and cash equivalents at the beginning of year		2,430	68,258
Cash and cash equivalents at end of year		778,070	2,430

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

1. CORPORATE INFORMATION

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

With effect from 28 October 2021, the registered office of the Company is located 2-07-01, Level 7 Plaza Bukit Jalil, No 1 Jalan Persiaran Bukit Jalil 1, Bandar Bukit Jalil, 57000 Kuala Lumpur, Malaysia.

The Company has not commenced any business during the financial year. The intended principal activity of the Company is to provide life insurance underwriting services.

On 16 November 2021, BNM issued its Stage 2 Sandbox with conditional approval to DearTime Berhad for it to be eligible to commence business under BNM's FinTech Sandbox.

The financial statements were authorised for issue by the Board in accordance with a resolution of the Directors on 7 June 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.2 Cash and cash equivalents

Cash and cash equivalents include cash at bank which have an insignificant risk of changes in value. The statements of cash flows has been prepared using the indirect method.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets

Recognition and measurement

Financial assets are recognised in the statements of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Classification and subsequent measurement

The classification and subsequent measurement of debt instruments held by the Company are determined based on their business model and cash flow characteristics.

Business model

The business model reflects how the Company manages the financial assets in order to generate cash flows. That is, whether the Company's objective is solely to collect the contractual cash flows from the assets, or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. the financial assets are held for trading purposes), then the financial assets are classified as part of "other" business model. Factors considered by the Company in determining the business model for a portfolio of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, and how risks are assessed and managed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets (cont'd.)

Classification and subsequent measurement (cont'd.)

Cash flow characteristics

Where the business model is to hold the financial assets to collect contractual cash flows, or to collect contractual cash flows and sell, the Company assesses whether the financial assets' contractual cash flows represent solely payment of principal and profit ("SPPP"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic financing arrangement, i.e. profit includes only consideration for time value of money, credit risk, other basic financing risks and a profit margin that is consistent with a basic financing arrangement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPP.

The classification of financial assets depends on the Company's business model of managing the financial assets in order to generate cash flows ("business model test") and the contractual cash flow characteristics of the financial instruments ("SPPP test"). The business model test determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both and the assessment is performed on a portfolio basis. The SPPP test determines whether the contractual cash flows are solely for payments of principal and profit and the assessment is performed on a financial instrument basis.

The Company may classify its financial assets under the following categories:

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and profit on the principal amount outstanding.

The Company includes in this category cash at bank and other receivables.

(b) Financial assets at FVOCI

A financial asset is measured at fair value through other comprehensive income ("FVOCI") if its business model is both to hold the asset to collect contractual cash flows and to sell the financial asset. In addition, the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and profit on the outstanding principal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets (cont'd.)

Classification and subsequent measurement (cont'd.)

(b) Financial assets at FVOCI (cont'd.)

Financial asset at FVOCI is initially recorded at fair value and transaction costs are expensed in the profit or loss. Subsequent to initial recognition, this financial asset is remeasured at fair value. All fair value adjustments are initially recognised through OCI. Debt instruments at FVOCI are subject to impairment assessment.

(c) Financial assets at FVTPL

Any financial assets that are not measured at amortised cost or FVOCI are measured at FVTPL. Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Changes in the fair value of those financial instruments are recorded in "Net gain or loss on financial assets at FVTPL".

Instruments that qualify for amortised cost or FVOCI may be irrevocably designated as FVTPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments are normally measured at FVTPL, nevertheless, the Company is allowed to irrevocably designate equity instruments that are not held for trading as FVOCI, with no subsequent reclassification of gains or losses to profit or loss.

Offsetting of financial instruments

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets (cont'd.)

Derecognition

A financial asset is primarily derecognised when:

(i) the rights to receive cash flows from the asset have expired; or

(ii) the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either:

(a) the Company has transferred substantially all the risks and rewards of the asset; or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 Fair value measurement

The Company measures financial instruments such as financial assets at FVTPL at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability; or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Fair value measurement (cont'd.)

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs that are based on observable market data, either directly or indirectly

Level 3 - Inputs that are not based on observable market data

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

2.5 Impairment of assets

(a) Financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Impairment of assets (cont'd)

(b) Write-offs

Financial assets are written off either partially or in their entirety only when the Company has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

2.6 Intangible asset

Intangible asset includes software in-development.

An intangible asset is recognised only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured at cost on initial recognition. Subsequent to initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses, except software-in-development which is not subject to amortisation until the development is completed and the asset is available for use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives recognised in the income statements in the expense category consistent with the function of the intangible asset.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Intangible asset (cont'd.)

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in income statements when the asset are derecognised.

Amortisation of intangible assets are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

2.7 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.8 Financial liabilities

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

Financial liabilities, within the scope of MFRS 9 Financial Instruments, are recognised in the statements of financial position when, and only when, the Company and/or the general takaful fund become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(a) Financial liabilities at FVTPL

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial liabilities (cont'd.)

(a) Financial liabilities at FVTPL (cont'd)

Financial liabilities held for trading include derivatives entered into by the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in the income statement. Net gains or losses on derivatives include exchange differences.

(b) Other financial liabilities

The Company's other financial liabilities include other payables.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective profit/yield method.

For other financial liabilities, gains and losses are recognised in the income statement when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.9 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. Leases arise when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use ("ROU") assets representing the right to use the underlying assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Leases (cont'd)

The Company as lessee (cont'd.)

(a) Right-of-use assets

The Company recognises ROU assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. All ROU assets recognised by the Company have shorter lease terms than estimated useful life.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed lease payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Leases (cont'd)

The Company as lessee (cont'd.)

(b) Lease liabilities (cont'd.)

In calculating the present value of lease payments, it was discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its IBR. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of profit and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The Company did not make any such adjustment during the financial year.

(c) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered to be low value (such as laptops and personal computers, small items of office furniture and telephones). Lease payments on short-term leases and leases of lowvalue assets are recognised as expense on a straight-line basis over the lease term.

The lease agreement entered by the Company during the financial year is exempted from adoption of MFRS 16 *Lease* as it fall under the short-term lease that ends within 12 months of the date of lease agreement.

2.10 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Irredeemable convertible preference shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of irredeemable preference shares are deducted against share capital.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Taxation

Income tax in the statement of comprehensive income for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is computed using the tax rates that have been enacted at the reporting date.

Deferred tax is provided for, using the liability method, on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is computed at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in other comprehensive income, in which case the deferred tax is also charged or credited directly in other comprehensive income.

2.12 Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make estimates, assumptions and judgements that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. Estimates, assumptions and judgements are continually evaluated and based on internal studies of actual historical experience and other factors. Best estimates and assumptions are constantly reviewed to ensure that they remain relevant and valid. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

There were no significant accounting estimates and judgements for the Company's financial statements for the year ended 31 December 2021 and 31 December 2020 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial period except as follows:

On 1 January 2021, the Company adopted the following amendments for annual period beginning on or after 1 January 2021 and 1 April 2021.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - Interest Rate Benchmark Reform Phase 2	1 January 2021
Amendments to MFRS 16 Leases - Covid-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of the new pronouncements above during the year did not result in any material financial impact to the financial statements.

2.14 Standard and amendments to standards that are issued but not yet effective

The following are the Standard and amendments to standards issued by the Malaysian Accounting Standard Board ("MASB"), but not yet effective, up to the date of issuance of the Company's financial statements. The Company intends to adopt these pronouncements, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 116 Property, Plant and Equipment Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137 Provision, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Amendment to MFRS 3 Business Combinations - Reference to the Conceptual Framework	1 January 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Standard and amendments to standards that are issued but not yet effective (cont'd.)

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018–2020	
MFRS 1 First-time Adoption of MFRSs	1 January 2022
MFRS 9 Financial Instruments	1 January 2022
MFRS 141 Agriculture	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current - Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 10 Consolidated Financial Statements and Amendments to MFRS 128 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an investor and its Associate or Joint Venture	To be announced by MASB

The application of the above new pronouncements are not expected to have a material impact on the financial statements in the period of initial application except for:

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Standard and amendments to standards that are issued but not yet effective (cont'd.)

MFRS 17 *Insurance Contracts* ("MFRS 17")

MFRS 17 will replace MFRS 4 *Insurance Contracts* issued in 2005. MFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

The main features of the new accounting model for insurance contracts are, as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured at every reporting period (the fulfilment cash flows);
- A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in the income statement over the service period (i.e., coverage period);
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in the income statement over the remaining contractual service period;
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- The presentation of insurance revenue and insurance service expenses in the income statement will be based on the concept of services provided during the period;
- Amounts that the policyholders will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly in the statement of financial position;
- Insurance service results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Standard and amendments to standards that are issued but not yet effective (cont'd.)

MFRS 17 *Insurance Contracts* ("MFRS 17")(cont'd.)

On 17 March 2020, the IASB, via the Amendments to IFRS 17, has agreed to defer the effective date of IFRS 17 to reporting periods beginning on or after 1 January 2023. Similarly, the MASB adopted the Amendments to MFRS 17 on 17 August 2020, which will mean that the effective date of MFRS 17 will be on 1 January 2023.

MFRS 17 and Amendments to MFRS 17 will be applicable to the Company if it obtains its licence from BNM to commence its intended principal activity of providing life insurance underwriting services.

3. LOSS BEFORE TAXATION

The following items have been included in arriving at loss before taxation:

	2021 RM	2020 RM
Employee Benefits Expense		
Wages and salaries	(819,500)	-
Social security contributions	(7,384)	-
Defined contribution plans - EPF	(104,305)	-
Non-executive directors' remuneration	(90,000)	-
Fees and licenses	(9,736)	(30,992)
Company secretarial expenses	(19,586)	(7,919)
Printing and stationery	-	(33)
Office rental	-	(20,200)
Profesional fees and consultancy	(288,900)	(860,000)
Sundry (expenses)/income, net	(4,969)	1,216
Auditors' remuneration	(12,000)	(8,204)
Marketing expenses	(256,396)	(63,600)
IT related expenses	(432,374)	(21,330)

4. SOFTWARE IN-DEVELOPMENT

	2021 RM	2020 RM
At cost		
At 31 December 2020	895,000	505,000
Additions	1,567,899	390,000
At 31 December 2021	2,462,899	895,000
Accumulated amortisation		
At 31 December 2019	-	-
Additions	-	-
At 31 December 2020	-	-
Net book value		
At 31 December 2021	2,462,899	895,000

5. OTHER PAYABLES

	2021 RM	2020 RM
Accrued expenses	12,000	1,239,184
Amount due to director*	-	175,901
	12,000	1,415,085

* The amount due to director was non-trade in nature, unsecured, interest-free and was repayable in the short-term

6. SHARE CAPITAL

	2021		2020	
	Number of shares	Amount RM	Number of shares	Amount RM
Ordinary shares (Note (a))	102,040,816	1,000,099	100,000,000	700,099
Irredeemable preference shares (Note (b))	6,000,000	6,000,000	-	-
	108,040,816	7,000,099	100,000,000	700,099

6. SHARE CAPITAL (CONTINUED)

	2021 Number of shares	2021 Amount RM	2020 Number of shares	2020 Amount RM
(a) Ordinary shares				
At the beginning of the year	100,000,000	700,099	100,000,000	700,099
Additions	2,040,816	300,000	-	-
At the end of the year	102,040,816	1,000,099	100,000,000	700,099

During the year, on 11 January 2021, the Company issued 2,040,816 ordinary shares for cash of RM300,000. The new ordinary shares rank pari passu with the shares in issue as of 29 November 2019.

	2021 Number of ordinary shares	2021 Amount RM	2020 Number of ordinary shares	2020 Amount RM
(b) Irredeemable preference shares				
At the beginning of the year	-	-	-	-
Additions	6,000,000	6,000,000	-	-
At the end of the year	6,000,000	6,000,000	-	-

During the year, on 1 April 2021, the Company issued 6,000,000 irredeemable convertible preference shares ("ICPS") for cash of RM6 million.

The investor and the Company agreed that the investor has the right but not the obligation to convert all or part of its ICPS into ordinary shares of the Company and such right to convert shall be exercisable within two(2) years from the Subscription Date of Tranche 1, 31 March 2021 with an option to extend such period at the agreement of the parties.

7. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or to exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

7. RELATED PARTY DISCLOSURES (CONTINUED)

All the directors are deemed of having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Therefore, the directors are also considered as the related parties to the Company.

The significant related party transactions during the year are as follows:

	2021 RM	2020 RM
Expenses:		
(a) Non-executive directors' remuneration:		
Leong Chin Boon	30,000	-
Mohammad Ridzuan Bin Abdul Aziz	30,000	-
Mohd Ridzal Bin Mohd Sheriff	30,000	-
	90,000	-
(b) Executive directors' remuneration and fee:		
Jonathan Ng Choong-Qi	120,000	120,000
	120,000	120,000

Included in the statements of financial position are amounts due to related party represented by the following:

	2021 RM	2020 RM
Other payables (Note 5):		
Jonathan Ng Choong-Qi:	-	901

8. COMMITMENTS

	2021 RM	2020 RM
(a) Capital expenditure		
Approved but not contracted for:		
Software in-development	-	949,000
	-	949,000

8. COMMITMENTS (CONTINUED)

(b) Operating lease commitments - as lessee

Future minimum rentals payable under non-cancellable operating leases at the reporting date are as follow:

	2021 RM	2020 RM
Future minimum rental payments:		
Not later than 1 year	-	13,200
	-	13,200

The Company has applied the exemption requirements under MFRS 16 to not recognise short term leases of 1 year or less as right-of-use assets and lease liabilities.

9. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is not exposed to significant financial risks as it is inactive during the current and previous financial years.

10. CAPITAL MANAGEMENT

The Company is not subject to any internally or externally imposed capital requirements.

11. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE

	2021 RM	2020 RM
Financial assets - at amortised cost		
Other receivables	-	3,000
Cash at bank	778,070	2,430
	778,070	5,430
Financial liabilities - at amortised cost		
Other payables	12,000	1,415,085
	12,000	1,415,085

The carrying amounts of the Company's financial assets and financial liabilities are reasonable approximations of their fair values due to the relatively short-term maturity of the financial instruments.

12. SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

On 18 April 2022, a second tranche of RM3 million in respect of 3,000,000 units of irredeemable convertible preference shares was received by the Company in cash. The remaining RM6 million will be deposited within 6 months from the official launch date of the DearTime application for business.