

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

Directors' Report and Audited Financial Statements
For the financial year ended 31 December 2022

(In Ringgit Malaysia)

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

CONTENTS	PAGE
DIRECTORS' REPORT	1 - 5
STATEMENT BY DIRECTORS	6
STATUTORY DECLARATION	6
INDEPENDENT AUDITORS' REPORT	7 - 10
STATEMENT OF FINANCIAL POSITION	11
STATEMENT OF COMPREHENSIVE INCOME	12
STATEMENT OF CHANGES IN EQUITY	13
STATEMENT OF CASH FLOWS	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 48

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

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 2022.

PRINCIPAL ACTIVITY

The Company has commenced business on 23 June 2022. The principal activity of the Company is to underwrite life insurance business.

The Company is an approved participant in the Bank Negara Malaysia Fintech Regulatory Sandbox to conduct insurance business.

RESULTS

	RM
Net loss for the year	<u>3,597,727</u>

RESERVES AND PROVISIONS

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

The subsequent event after the financial year is as disclosed in Note 17 to the financial statements.

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

DIRECTORS'S REPORT (CONTINUED)

DIRECTORS OF THE COMPANY

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

Yeoh Hai Yong
Leong Chin Boon
Mohammad Ridzuan Bin Abdul Aziz
Mohd Ridzal Bin Mohd Sheriff
Wong Teck Meng

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.

During the financial year ended 31 December 2022, 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 as disclosed in Note 11 to the financial statements) by reason of a contract made by the Company with the Director.

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.

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

DIRECTORS'S REPORT (CONTINUED)

DIRECTORS' REMUNERATION (CONTINUED)

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 a Director 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)			31.12.2022
	1.1.2022	Acquired	Disposed	
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 ended 31 December 2022, the Company increased its paid-up share capital from RM7,000,099 to RM13,000,099 via the allotment of 6,000,000 irredeemable convertible preference shares ("ICPS") for cash of RM3,000,000 on 18 April 2022 and an additional RM3,000,000 on 7 October 2022.

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

DEARTIME BERHAD
(Incorporated in Malaysia)

DIRECTORS'S REPORT (CONTINUED)

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.

DEARTIME BERHAD
(Incorporated in Malaysia)

DIRECTORS'S REPORT (CONTINUED)

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 2023.


Mohd Ridzal Bin Mohd Sheriff


Leong Chin Boon

Kuala Lumpur, Malaysia

201901000228 (1309554-D)

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 the opinion of the Directors, the accompanying financial statements set out on pages 11 to 48 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 2022 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 2023.

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 48 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 2023.



Jonathan Ng Choong-Qi

Unit 19A
Lorong 8/1e, Seksyen 8
46050 Petaling Jaya
Selangor Darul Ehsan

201901000228 (1309554-D)

**Independent auditors' report to the member of
Dear Time Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Dear Time Berhad, which comprise the statement of financial position as at 31 December 2022, and the statement of profit and loss, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 48.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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.

201901000228 (1309554-D)

**Independent auditors' report to the member of
Dear Time Berhad
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon (cont'd.)

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 Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine 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.

201901000228 (1309554-D)

**Independent auditors' report to the member of
Dear Time Berhad
(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 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 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.

201901000228 (1309554-D)

Independent auditors' report to the member of
Dear Time Berhad
(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.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
07 June 2023



Brandon Bruce Sta Maria
No. 02937/09/2023 J
Chartered Accountant

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 RM	2021 RM
Assets			
Assets			
Intangible assets	4	3,223,987	2,462,899
Investment	5	3,520,609	-
Reinsurance assets	6	11,205	-
Other receivables	7	227,421	511,226
Cash at bank		197,859	778,070
Total assets		7,181,081	3,752,195
Current liabilities			
Insurance contract liabilities	8	16,455	-
Other payables	9	1,022,158	12,000
Total current liabilities		1,038,613	12,000
Shareholders' equity			
Share capital	10	13,000,099	7,000,099
Accumulated losses		(6,857,631)	(3,259,904)
Total shareholders' equity		6,142,468	3,740,195
Total liabilities and shareholders' equity		7,181,081	3,752,195

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

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 RM	2021 RM
Gross earned premiums		16,926	-
Premiums ceded to reinsurers		(8,604)	-
Net earned premiums		8,322	-
Investment income		20,609	-
Other operating income		851	-
Other revenue		21,460	-
Gross benefits and claims paid		-	-
Claims ceded to reinsurers		-	-
Gross change in contract liabilities		(16,455)	-
Change in contract liabilities ceded to reinsurers		11,205	-
Net benefits and claims		(5,250)	-
Management expenses	3	(3,622,259)	(2,045,150)
Other expenses		(3,622,259)	(2,045,150)
Loss before taxation		(3,597,727)	(2,045,150)
Taxation		-	-
Net loss representing total comprehensive loss for the year		(3,597,727)	(2,045,150)

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

201901000228 (1309554-D)

DEARTIME BERHAD
(Incorporated in Malaysia)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Share capital RM	Accumulated losses RM	Total RM
At 1 January 2022		7,000,099	(3,259,904)	3,740,195
Issuance of share capital	10	6,000,000	-	6,000,000
Total comprehensive loss for the year		-	(3,597,727)	(3,597,727)
As at 31 December 2022		<u>13,000,099</u>	<u>(6,857,631)</u>	<u>6,142,468</u>
At 1 January 2021		700,099	(1,214,754)	(514,655)
Issuance of share capital	10	6,300,000	-	6,300,000
Total comprehensive loss for the year		-	(2,045,150)	(2,045,150)
As at 31 December 2021		<u>7,000,099</u>	<u>(3,259,904)</u>	<u>3,740,195</u>

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

DEARTIME BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 RM	2021 RM
Cash flows from operating activities			
Loss before taxation		(3,597,727)	(2,045,150)
Adjustment for:			
Amortisation of intangible assets	4	<u>243,967</u>	<u>-</u>
Operating cash flows before working capital changes		(3,353,761)	(2,045,150)
Changes in working capital:			
Decrease/(Increase) in other receivables and reinsurance assets		272,600	(508,226)
Increase/(Decrease) in other payables and insurance contract liabilities		<u>1,026,613</u>	<u>(1,403,085)</u>
Net cash used in operating activities		<u>(2,054,547)</u>	<u>(3,956,461)</u>
Cash flows from investing activities			
Payment for software in-development	4	(1,005,055)	(1,567,899)
Purchase of investment	5	<u>(3,520,609)</u>	<u>-</u>
Net cash used in investing activities		<u>(4,525,664)</u>	<u>(1,567,899)</u>
Cash flows from financing activity			
Proceeds from issuance of share capital	10	<u>6,000,000</u>	<u>6,300,000</u>
Net cash generated from financing activity		<u>6,000,000</u>	<u>6,300,000</u>
Net (decrease)/increase in cash and cash equivalents		(580,211)	775,640
Cash and cash equivalents at the beginning of year		<u>778,070</u>	<u>2,430</u>
Cash and cash equivalents at end of year		<u>197,859</u>	<u>778,070</u>
Cash and cash equivalents comprise cash at bank		<u>197,859</u>	<u>778,070</u>

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

DEARTIME BERHAD
(Incorporated in Malaysia)

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

1. CORPORATE INFORMATION

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

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 commenced business on 23 June 2022. The principal activity of the Company is to underwrite life insurance business. The Company is an approved participant in the Bank Negara Malaysia Fintech Regulatory Sandbox to conduct insurance business.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 7 June 2023.

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.

DEARTIME BERHAD
(Incorporated in Malaysia)

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 interest ("SPPI"). In making this assessment, the Fund considers whether the contractual cash flows are consistent with a basic financing arrangement, i.e. interest includes only consideration for time value of money, credit risk, other basic financing risks and a interest 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 SPPI.

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 ("SPPI 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 SPPI test determines whether the contractual cash flows are solely for payments of principal and interest 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 interest on the principal amount outstanding.

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

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Financial assets (cont'd.)

Classification and subsequent measurement (cont'd.)

(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 interest on the outstanding principal.

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 interest rate.

DEARTIME BERHAD
(Incorporated in Malaysia)

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 assets include software development costs, computer software and licences. Intangible assets acquired separately are measured on initial recognition at fair value. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and are 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 reporting date.

Amortisation is charged to profit or loss. Work-in-progress are also are not amortised as these assets are not 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.

The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

DEARTIME BERHAD
(Incorporated in Malaysia)

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.

The Company's intangible assets are amortised on a straight-line basis over their estimated useful lives.

	Useful lives
Software	5 years

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.

DEARTIME BERHAD
(Incorporated in Malaysia)

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 Reinsurance assets

The Company cedes insurance risk in the normal course of its business. Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. For both ceded and assumed reinsurance, premiums, claims and benefits paid or payable are presented on a gross basis.

Reinsurance arrangements, entered into by the Company, are accounted for as noted below. Arrangements that do not meet these classification requirements are accounted for as financial assets. presented on a gross basis.

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Reinsurance assets (cont'd.)

Reinsurance assets represent amounts recoverable from reinsurers for insurance contract liabilities which have yet to be settled at the reporting date. Amounts recoverable from reinsurers are measured consistently with the amounts associated with the underlying insurance contract and the terms of the relevant reinsurance arrangement.

At each reporting date, or more frequently, the Company assesses whether objective evidence exists that reinsurance assets are impaired. The impairment loss is recognised in profit or loss. insurance contract and the terms of the relevant reinsurance arrangement.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expired or when the contract is transferred to another party.

2.10 Life insurance contract liabilities

Life insurance contract liabilities are determined in accordance with the valuation methodology prescribed in the RBC Framework for yearly renewable policies. This is currently the only type of business available for the Company.

For life policy covering contingencies other than death or survival, the liabilities comprised of Best Estimate of Premium Liabilities and Best Estimate of Claims Liabilities.

The best estimate of premium liabilities refers to the higher of Unearned Premium Reserve ("UPR"), which is computed based on 1/24th method, in accordance to the requirement under the RBC Framework for policies with duration of 12 months or the best estimate value of the Unexpired Risk Reserve ("URR"), which is estimated using a loss ratio method. The best estimate of claim liabilities for Incurred but Not Reported ("IBNR") claims is computed based on annual premium.

The claims liabilities is computed based on the best estimate value of liabilities which includes provision for claims reported and claims incurred but not reported ("IBNR") by taking into consideration the annual premium, claims ratio, reporting time lag and Provision for Adverse Deviation ("PRAD") at 75% confidence level as prescribe by BNM.

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 Premium income

Premiums represent consideration paid for insurance contracts and are accounted for as follows:

- Premium income is recognised as soon as the amount of the premium can be reliably measured. The premium is recognised from inception date.
- Outward reinsurance premiums are recognised in the same financial period as the original policies to which the reinsurance relates.

2.12 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.

(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.

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (cont'd)

The Company as lessee (cont'd.)

(b) Lease liabilities (cont'd.)

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.

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 incremental borrowing rate. 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 low-value assets are recognised as expense on a straight-line basis over the lease term.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Leases (cont'd)

The Company as lessee (cont'd.)

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

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.

2.13 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.

2.14 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.

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Taxation (cont'd.)

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.

2.15 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 2022 and 31 December 2021 respectively.

2.16 Changes in accounting policies and disclosures

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

On 1 January 2022, the Company adopted the following Amendments to MFRSs mandatory for annual financial periods beginning on or after 1 January 2022:

Description	Effective for annual periods beginning on or after
MFRS 116 <i>Property, Plant and Equipment</i> (Amendments to MFRS 116) <i>Property, Plant and Equipment</i> - <i>Proceeds before Intended Use</i>	1 January 2022

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Changes in accounting policies and disclosures (cont'd.)

Description	Effective for annual periods beginning on or after
MFRS 137 <i>Provision, Contingent Liabilities and Contingent Assets</i> (Amendments to MFRS 137) <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
MFRS 3 <i>Business Combinations</i> (Amendments to MFRS 3) <i>Reference to the Conceptual Framework</i>	1 January 2022
Annual Improvements to MFRS Standards 2018 - 2020:	
MFRS 1 <i>First-time Adoption of MFRSs</i>	1 January 2022
MFRS 9 <i>Financial Instruments</i>	1 January 2022
MFRS 16 <i>Leases</i>	1 January 2022
MFRS 141 <i>Agriculture</i>	1 January 2022

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

2.16 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"), which have become effective on 1 January 2023:

Description	Effective for annual periods beginning on or after
MFRS 17 <i>Insurance Contracts</i> (Amendments to MFRS 17) <i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>	1 January 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.16 Standard and amendments to standards that are issued but not yet effective
(cont'd.)**

Description	Effective for annual periods beginning on or after
MFRS 101 <i>Presentation of Financial Statements</i> (Amendments to MFRS 101) <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
(Amendments to MFRS 101) <i>Disclosure of Accounting Policies</i>	1 January 2023
MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> (Amendments to MFRS 108) <i>Definition of Accounting Estimates</i>	1 January 2023
MFRS 112 <i>Income Taxes</i> (Amendments to MFRS 112) <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
MFRS 16 <i>Leases</i> (Amendments to MFRS 16) <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
MFRS 101 <i>Presentation of Financial Statements</i> (Amendments to MFRS 101) <i>Non-current Liabilities with Covenants</i>	1 January 2024

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:

MFRS 17 Insurance Contracts

MFRS 17 *Insurance Contracts* replaces MFRS 4 *Insurance Contracts* for annual periods beginning on or after 1 January 2023. The Company will be applying MFRS 17 for the first time in the upcoming financial year ending 31 December 2023. Accordingly, it will restate comparative information for the financial year ended 31 December 2022 by applying the transition requirements of MFRS 17.

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

i) Changes to classification and measurement

The adoption of MFRS 17 will not change the classification of the Company's insurance contracts.

MFRS 17 establishes specific principles for the recognition and measurement of Insurance contracts issued and reinsurance contracts held by the Company and these have been addressed by the Company during the implementation period of the standard.

The Company has determined that its insurance contracts issued and reinsurance contracts held are eligible for the measurement models below:

a) General Measurement Model ("GMM")

This is the default measurement model for insurance contracts valued using fulfilment cash flows (the present value of expected future cash flows, plus a risk adjustment) offset by the CSM which represents the unearned profit which the Company will recognise as it provides services under the contracts.

b) Premium Allocation Approach ("PAA")

This model will be applied for policies which have contract boundaries (i.e.coverage periods) of less than 1 year as well as for policies with contract boundaries of more than 1 year but which are able to pass the PAA eligibility test.

The Company will be applying the PAA or GMM models for all reinsurance contracts held, depending on the specific contract boundaries for each reinsurance contract.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

ii) Changes to presentation and disclosure

For presentation purposes, the Company will aggregate insurance and reinsurance contracts held and these will be presented separately in the statement of financial position as follows:

- Portfolios of insurance contracts issued;
- Portfolios of insurance contracts held;
- Portfolios of reinsurance contracts held that are assets; and
- Portfolios of reinsurance contracts held that are liabilities.

The portfolios of contracts are as established at initial recognition and is in accordance with the requirements of MFRS 17.

The presentation of the statement of profit or loss and other comprehensive income will change significantly upon the adoption of MFRS 17, with clear delineation of underwriting and investment results. There will no longer be items such as gross, net or earned premiums or net claims incurred shown on the statement of profit or loss.

Instead, the statement of profit or loss will reflect the following items from the financial year ending 31 December 2023, together with a restated statement of profit or loss under MFRS 17 for the year ended 31 December 2022:

- Insurance revenue
- Insurance service expenses
- Insurance service results
- Insurance finance income or expenses
- Income or expenses from reinsurance contracts held

DEARTIME BERHAD
(Incorporated in Malaysia)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

ii) Changes to presentation and disclosure (cont'd.)

MFRS 17 will also require more extensive disclosure requirements compared to MFRS 4. The Company will provide both qualitative and quantitative disclosures about insurance contracts in three main areas:

- Explanation of the amounts recognised in the Company's financial statements arising from insurance contracts;
- Significant judgements, and changes in those judgements, when applying MFRS 17; and
- The nature and extent of risks that arise from contracts within the scope of MFRS 17.

iii) Transition

At this juncture, the Company has ascertained that it will apply the Full Retrospective Approach ("FRA") to all portfolios of insurance contracts that are effective from 27 July 2022.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Amendment to MFRS 9 as a result of MFRS 17 implementation

MFRS 17 allows an election for the effect of changes in discount rates to be recognised through profit or loss or through other comprehensive income, however it is not applicable to the Company as at the end of the financial year, the company only invested in a unit trust fund, which is an equity instrument. As disclosed in Note 2.3(c), Equity instruments are measured at FVTPL.

Anticipated impacts of adopting MFRS 17 to the Company

MFRS 17 will provide enhanced disclosures to enable readers to understand insurance contracts issued by the Company, including a clearer delineation of how the Company has performed in both underwriting and investments activities. The definition of revenue and related profit recognition patterns will change significantly, although the overall profitability of insurance contracts should continue to be intact as the fundamentals of the contracts itself have not changed.

There are no significant impacts expected on pricing and product strategies at this juncture. The Company will continue to monitor this matter.

It is also expected that there will be no significant impacts to the business, financial strength, claims paying ability, or dividend paying capacity of the Company. Accordingly, it is anticipated that at this juncture, there will not be any significant changes to the business strategies of the Company. The Company will continue to monitor this matter.

The Company is currently finalising the implementation of MFRS 17 and will be fully compliant with the requirements of the Standard by 31 December 2023.

DEARTIME BERHAD
(Incorporated in Malaysia)

3. MANAGEMENT EXPENSES

	2022	2021
	RM	RM
Employee Benefits Expense		
Wages and salaries	(1,024,300)	(819,500)
Social security contributions	(9,933)	(7,384)
Defined contribution plans - EPF	(154,340)	(104,305)
Bonus	(25,000)	-
Non-executive directors' remuneration	(210,000)	(90,000)
Fees and licenses	-	(9,736)
Company secretarial expenses	(7,451)	(19,586)
Professional fees and consultancy	(420,637)	(288,900)
Sundry expenses	(5,880)	(4,969)
Auditors' remuneration		
Statutory audit	(80,000)	(12,000)
Regulatory related services	(20,000)	-
Amortisation of intangible assets	(243,967)	-
Marketing expenses	(474,711)	(256,396)
IT related expenses	(943,736)	(432,374)
Policy related expenses	(2,304)	-
	<u>(3,622,259)</u>	<u>(2,045,150)</u>

4. INTANGIBLE ASSETS

	Software	Software-in	Total
	RM	development	RM
		RM	
2022			
Cost			
At 1 January 2022	2,462,899	-	2,462,899
Additions	967,213	37,842	1,005,055
At 31 December 2022	<u>3,430,112</u>	<u>37,842</u>	<u>3,467,954</u>
Accumulated amortisation			
At 1 January 2022	-	-	-
Charge of the year	243,967	-	243,967
At 31 December 2022	<u>243,967</u>	<u>-</u>	<u>243,967</u>
Net Book Value			
At 31 December 2022	<u>3,186,145</u>	<u>37,842</u>	<u>3,223,987</u>

DEARTIME BERHAD
(Incorporated in Malaysia)

4. INTANGIBLE ASSETS (CONTINUED)

	Software RM	Software-in development RM	Total RM
2021			
Cost			
At 1 January 2021	895,000	-	895,000
Additions	1,567,899	-	1,567,899
At 31 December 2021	<u>2,462,899</u>	<u>-</u>	<u>2,462,899</u>
Accumulated amortisation			
At 1 January 2021	-	-	-
Charge of the year	-	-	-
At 31 December 2021	<u>-</u>	<u>-</u>	<u>-</u>
Net Book Value			
At 31 December 2021	<u>2,462,899</u>	<u>-</u>	<u>2,462,899</u>

5. INVESTMENT

The Company has invested in Areca Islamic Cash Fund ("AICF"), a short term fund that provides liquidity to the portfolio with target to generate returns close to fixed deposit rates.

	2022 RM	2021 RM
Unit trust fund	<u>3,520,609</u>	<u>-</u>

The Company's investment is summarised by category as follows:

(a) FVTPL**At Fair Value**

Unit trust fund quoted in Malaysia	<u>3,520,609</u>	<u>-</u>
Total financial assets designated as FVTPL upon initial recognition	<u>3,520,609</u>	<u>-</u>

DEARTIME BERHAD
(Incorporated in Malaysia)

6. REINSURANCE ASSETS

	2022	2021
	RM	RM
Reinsurers' share of insurance contract liabilities		
Actuarial liabilities	11,205	-
	<u>11,205</u>	<u>-</u>

7. OTHER RECEIVABLES

	2022	2021
	RM	RM
Sundry receivables	678	-
Deposits	220,410	511,226
Prepayments	6,333	-
	<u>227,421</u>	<u>511,226</u>

8. INSURANCE CONTRACT LIABILITIES

	2022	2021
	RM	RM
Actuarial liabilities	16,455	-
	<u>16,455</u>	<u>-</u>

9. OTHER PAYABLES

	2022	2021
	RM	RM
Accrual liabilities	978,710	12,000
Sundry creditors/payables	33,059	-
Thanksgiving payable	1,617	-
Amount due to reinsurance	8,604	-
Third party fee administrator payable	168	-
	<u>1,022,158</u>	<u>12,000</u>

DEARTIME BERHAD
(Incorporated in Malaysia)

10. SHARE CAPITAL

	2022		2021	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid up:				
Ordinary shares (Note (a))	102,040,816	1,000,099	102,040,816	1,000,099
Irredeemable preference shares (Note (b))	12,000,000	12,000,000	6,000,000	6,000,000
	<u>114,040,816</u>	<u>13,000,099</u>	<u>108,040,816</u>	<u>7,000,099</u>

	2022		2021	
	Number of shares	Amount RM	Number of shares	Amount RM
(a) Ordinary shares				
At the beginning of the year	102,040,816	1,000,099	100,000,000	700,099
Additions	-	-	2,040,816	300,000
At the end of the year	<u>102,040,816</u>	<u>1,000,099</u>	<u>102,040,816</u>	<u>1,000,099</u>
(b) Irredeemable preference shares				
At the beginning of the year	6,000,000	6,000,000	-	-
Additions	6,000,000	6,000,000	6,000,000	6,000,000
At the end of the year	<u>12,000,000</u>	<u>12,000,000</u>	<u>6,000,000</u>	<u>6,000,000</u>

During the financial year ended 31 December 2022, the Company increased its paid-up share capital from RM7,000,099 to RM13,000,099 (2021: from RM700,099 to RM7,000,099) via the allotment of 6,000,000 (2021: 6,000,000) irredeemable convertible preference shares ("ICPS") for cash of RM3,000,000 on 18 April 2022 and an additional RM3,000,000 on 7 October 2022. (2021: RM6,000,000).

DEARTIME BERHAD
(Incorporated in Malaysia)

10. SHARE CAPITAL (CONTINUED)

The salient terms of the ICPS were as follows:

(a) Ranking of the ICPS

The ICPS shall, with respect to distributions of assets and rights upon the occurrence of Event of Defaults, and all other rights and preferences, rank senior to all classes of ordinary shares of the Company and each other class or series of preference shares in the capital of the Company hereafter created which does not expressly rank pari passu with or senior to the ICPS.

(b) Conversions of the ICPS

The ICPS holder shall have the right but not the obligation to convert any number of ICPS to ordinary shares within two (2) years from the Subscription Date of Tranche 1, with an option to extend such period at the agreement of the parties and such right of conversion is exercisable without any further consideration.

(c) Right of the ICPS holder

The ICPS holder shall have the right of first refusal on any new issue of shares or financing of any class and right to participate with the holders of the ordinary shares (including in any new issue of shares of any class) pro rata to their shareholding and such other rights as are customary in private equity transaction of this type.

(d) Voting right

The holders of the ICPS shall carry the number of votes as is equal to the number of votes that such holder would be entitled to cast had such holder converted such ICPS into ordinary shares.

The holders of ICPS shall vote together with the holders of the ordinary shares as if they were the same class.

(e) Other matters

Each shareholder shall not transfer, sell, assign, pledge or deal with or permit to subsist any encumbrance over any of its ordinary shares in any manner unless such transfer is being dealt in accordance with the terms and conditions under the Shareholders Agreement.

DEARTIME BERHAD
(Incorporated in Malaysia)

11. 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.

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:

	2022	2021
	RM	RM
Expenses:		
a) Non-executive directors' remuneration:		
Yeoh Hai Yong	30,000	-
Leong Chin Boon	60,000	30,000
Mohammad Ridzuan Bin Abdul Aziz	60,000	30,000
Mohd Ridzal Bin Mohd Sheriff	60,000	30,000
	<u>210,000</u>	<u>90,000</u>
(b) Executive directors' remuneration and fee:		
Jonathan Ng Choong-Qi (resigned on 1 May 2022)	-	120,000
	<u>-</u>	<u>120,000</u>

12. INSURANCE RISK

Insurance Risk is the risk of loss or adverse change arising from the underwritten insurance businesses. This can be due to adverse deviation in portfolio experience as well as underlying assumptions/expectation on which product, pricing, underwriting, claims, reserving and reinsurance have been made.

Reinsurance offers financial protection to insurers against large and catastrophic events. It allows efficient use of capital to support future business growth, whilst reducing the volatility of financial results and solvency. Risks associated with reinsurance companies are the counterparty risk of reinsurers failing to honor their obligations. The Company regularly monitors the reinsurers' creditworthiness.

DEARTIME BERHAD
(Incorporated in Malaysia)

12. INSURANCE RISK (CONTINUED)

The Company has established appropriate policies and monitoring metrics combined with authority limits as part of risk mitigation activities embedded in the business operations.

(a) Life Underwriting Risk

The life underwriting risk reflects the adverse changes in the level, trend or volatility of mortality, disability/morbidity, and expense experience that is different from the expectation/best estimate assumptions, either from pricing or reserving, therefore affecting the profitability of the Company's portfolio.

(b) Pricing Risk

Risk of loss or adverse impact arising from the inadequate premium charged resulting in higher than expected losses and expenses.

(c) Reinsurance Risk

The reinsurance risk reflects possible loss or adverse impact arising from reinsurance. The scope of this risk category includes reinsurer and risk mitigating contracts, such as reinsurance arrangements.

(d) Life Insurance Products Risk

Risk of loss or adverse impact arising from the development of new products and management of new and existing products. All product-related risk including investment risk, pricing risk, business risk, reinsurance risk, solvency risk, underwriting risk, fraud risk and mis-selling risk.

(e) Reserving Risk

Being the risk of loss or adverse impact arising from the inadequate reserves due to unanticipated loss developments.

(f) Catastrophe Risk

Catastrophe Risk is the risk of loss or adverse changes in the value of insurance liabilities due to over-exposures to extreme or exceptional events (e.g. pandemic outbreaks, flood, etc.), which can cause an accumulated loss or a single large loss. Catastrophe Risks could arise from Life business.

DEARTIME BERHAD
(Incorporated in Malaysia)

12. INSURANCE RISK (CONTINUED)

(g) Claims Risk

Risk of loss or adverse impact arising from the claims management process which is expected to affect client satisfaction and the Company's reputation.

(h) Concentration of actuarial liabilities by type of contract

The Company only underwrote yearly renewable contracts for the financial year ended 31 December 2022.

All of the Company's life business is derived from Malaysia and, accordingly, a geographical analysis by country of the gross written premium and insurance contract liabilities is not provided.

(i) Key assumptions

Significant judgment is required in determining the insurance contract liabilities. Assumptions used in determining the insurance contract liabilities are based on past experience, current internal data, pricing and reinsurance data, external market indices and benchmarks which reflect current observable market prices and trends. Assumptions and estimates are determined at the date of valuation and no credit is taken for possible beneficial effects of voluntary withdrawals. Assumptions are further evaluated on a periodic basis in order to ensure realistic and reasonable valuations.

The key assumptions to which the estimation of insurance contract liabilities is particularly sensitive to are as follows:

(i) Mortality and morbidity rates

Mortality and morbidity rates represent the expected claims experience of the Company.

The Company bases mortality and morbidity on local established industry tables which reflect historical experiences and reinsurance premium rates, adjusted to reflect the Company's unique risk exposure, product characteristics, target markets and its own claims severity and frequency experience.

(ii) Expenses

Expense assumptions represent the expected amount that will be incurred in servicing the policies over its expected life.

DEARTIME BERHAD
(Incorporated in Malaysia)

12. INSURANCE RISK (CONTINUED)

(j) Sensitivity analysis

As the Company has only begun underwriting life insurance business on 23 June 2022, the gross written premium recognised during the year is not material to the Company. Consequently, changes of the assumptions summarised above are not expected to have material impact on the profit before tax and equity of the Company.

13. FINANCIAL RISK

(a) Credit and Default Risk

Credit and Default Risk refers to the risk of loss of principal or income arising from the failure of an obligor or counterparty to perform their contractual obligations in accordance with agreed terms. It stems primarily from lending, trading and investment activities from both on and off-balance sheet transactions.

Credit or Spread risk and ultimately Default risk result from the intrinsic quality of the issuer of debt securities and the impact it has on the value of assets of these instruments. Changes in the level or in the volatility of spreads as a result of changes in the underlying credit quality define the risk of investment default.

Credit Risk arises when a counterparty is no longer able to pay its contractual obligations. Key areas of credit risk include counterparty risk, country risk, concentration risk, settlement risk and issuer risk. The Company's exposure to credit risk arises mainly from assets (fixed income and equities) and reinsurance.

Credit Exposure

The table below shows the maximum exposure to credit risk for the components on the statement of financial position and items such as future commitments. The maximum exposure is shown gross, before the effect of mitigation through the use of master netting or collateral agreements.

	Total RM
Financial assets at FVTPL	
Unit trust fund	3,520,609
Financial assets at AC	
Other receivables*	678
Cash at Bank	197,859
	<u>3,719,146</u>

**Excluding non-financial assets such as prepayments and deposits*

DEARTIME BERHAD
(Incorporated in Malaysia)

13. FINANCIAL RISK (CONTINUED)

(b) Liquidity Risk

Liquidity risk is the risk where the Company is unable to meet its obligations in a timely manner at a reasonable cost at any time. The Company manages this risk by monitoring daily cash inflows and outflows and by ensuring that a reasonable amount of financial assets are kept in liquid instruments at all times.

Maturity Profiles

The following table summarises the maturity profile of the financial/insurance assets and liabilities of the Company which are caused on remaining undiscounted contractual obligations, including interest payable and receivable.

	Undiscounted Contractual Cash Flow			
	Carrying amount RM	Less than 1 year RM	No maturity date RM	Total RM
31 December 2022				
Financial assets:				
Unit Trust Fund	3,520,609	-	3,520,609	3,520,609
Reinsurance assets	11,205	11,205	-	11,205
Other receivables*	678	678	-	678
Cash and cash equivalents	197,859	197,859	-	197,859
Total Assets	3,730,351	209,745	3,520,609	3,730,351
Insurance contract liabilities	16,455	16,455	-	16,455
Other payables	1,022,158	1,022,158	-	1,022,158
Total Liabilities	1,038,613	1,038,613	-	1,038,613

**Excluding non-financial assets such as prepayments and deposits*

DEARTIME BERHAD
(Incorporated in Malaysia)

13. FINANCIAL RISK (CONTINUED)**(b) Liquidity Risk (cont'd.)****Maturity Profiles (cont'd)**

	Undiscounted Contractual Cash Flow			Total RM
	Carrying amount RM	Less than 1 year RM	No maturity date RM	
31 December 2021				
Cash and cash equivalents	778,070	778,070	-	778,070
Total Assets	778,070	778,070	-	778,070
Other payables	12,000	12,000	-	12,000
Total Liabilities	12,000	12,000	-	12,000

(c) Price Risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market price, whether those changes are caused by factors specific to the individual financial instrument or its issuer or factors affecting similar financial instruments traded in the market.

The Company's price risk exposure relates to financial assets which will fluctuate in value as a result of changes in market prices. The Company is exposed to price risks arising from investments of unit trust funds.

The sensitivity analysis below is performed for reasonably possible movements in market price with all other variables held constant, showing the impact on unit trust NAV to equity of the Company.

		Company 2022 RM
Change in variable		<-----Increase/(Decrease)----->
Unit Trust NAV*	+ 5%	176,030
Unit Trust NAV*	- 5%	(176,030)

DEARTIME BERHAD
(Incorporated in Malaysia)

14. CAPITAL MANAGEMENT

The Company's Internal Capital Management Plan is in place to manage and maintain capital adequacy level that commensurate with its risk profile at all times and ensure that adequate capital resources are available to maintain Capital Adequacy Ratio ("CAR") above Individual Target Capital Level ("ITCL") and minimum capital requirement of RM1.5 million at all times as prescribed by BNM. As at 31 December 2022, the Company has met the minimum capital requirement prescribed by BNM.

15. COMMITMENTS

	2022	2021
	RM	RM
Approved and contracted for:		
Software-in-development	53,550	-

16. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE

This disclosure provides information on fair value measurements for both financial instruments and non-financial assets and liabilities and is structured as follows:

a) Valuation principles

Fair value is defined as the price that would be received for the sale of an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market as of the measurement date.

The Company determines the fair value by reference to quoted prices in active markets or by using valuation techniques based on observable inputs or unobservable inputs. Management judgement is exercised in the selection and application of appropriate parameters, assumptions and modelling techniques where some or all of the parameter inputs are not observable in deriving fair value. The Company has also established a framework and policies that provide guidance concerning the practical considerations, principles and analytical approaches for the establishment of prudent valuation for financial instruments measured at fair value.

Valuation adjustment is also an integral part of the valuation process. Valuation adjustment is to reflect the uncertainty in valuations generally for products that are less standardised, less frequently traded and more complex in nature. In making a valuation adjustment, the Company follows methodologies that consider factors such as liquidity, bid-offer spread, unobservable prices/inputs in the market and uncertainties in the assumptions/parameters.

DEARTIME BERHAD
(Incorporated in Malaysia)

16. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

a) Valuation principles (cont'd)

The Company continuously enhances its design, validation methodologies and processes to ensure the valuations are reflective and periodic reviews are performed to ensure the model remains suitable for its intended use.

The levels of the fair value hierarchy as defined by MFRS are an indication of the observability of prices or valuation input. It can be classified into the following hierarchies/levels:

- Level 1 : Active Market – Quoted price

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices which represent actual and regularly occurring market transactions on an arm's length basis.

Examples of level 1 financial instruments include listed derivatives, quoted equities and unit and property trust funds traded on an exchange.

- Level 2 : No Active Market – Valuation techniques using observable input

Refers to inputs other than quoted price included within Level 1 that are observable for the asset or liability, either directly (i.e.prices) or indirectly (i.e.derived from prices).

Examples of level 2 financial instruments include corporate and government bonds, structured products, NCDs/NICDs and over-the-counter ("OTC")

- Level 3 : No Active Market – Valuation techniques using unobservable input

Refers to financial instruments where fair values are measured using unobservable market inputs. The valuation technique is consistent with level 2. The chosen valuation technique in corporates management's assumptions and

Examples of level 3 instruments include corporate bonds in illiquid markets, private equity investments and investment properties.

DEARTIME BERHAD
(Incorporated in Malaysia)

16. CATEGORIES OF FINANCIAL INSTRUMENTS AND FAIR VALUE (CONTINUED)

b) Valuation techniques

(i) Cash and cash equivalents and other assets/liabilities

The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(ii) Other receivables and payables

The carrying amounts are measured at amortised cost in accordance with the accounting policies as disclosed in Note 2.3(a). The carrying amounts approximate fair values due to the relatively short-term maturity of these financial instruments.

(iii) Investment

Investments have been accounted for in accordance with the accounting policies as disclosed in Note 2.3(c). The carrying amounts and fair values of investments are disclosed in Note 5 to the financial statements. Investments in unquoted equity instruments that do not have quoted market price in an active market, the fair values are measured based on the adjusted net asset method by referencing to the annual financial statements of the entity that the Company invested in.

c) Fair value measurements and classification within the fair value hierarchy

	2022	2021
	Quoted	Quoted
	market	market
	prices	prices
	RM	RM
<u>Level 1</u>		
Financial assets - at FVTPL		
Designated upon initial recognition:		
Unit trust funds quoted in Malaysia	3,520,609	-
	<u>3,520,609</u>	<u>-</u>

17. SUBSEQUENT EVENT AFTER THE FINANCIAL YEAR

On 2 June 2023, the Company allotted 1,000,000 units of ICPS to its shareholders and received cash of RM1 million. The shareholders have also committed via a subscription agreement to provide an additional funding of RM2 million to the Company via subscription of ICPS in two tranches of RM1 million each, to be paid in August 2023 and October 2023.