REDPLANET BERHAD

(Incorporated in Malaysia)

Registration No: 201901014292 (1323620 - A)

FINANCIAL REPORT

for the financial year/period ended

30 June 2020

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

TABLE OF CONTENTS

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year/period ended 30 June 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

The Company was incorporated in Malaysia on 22 April 2019 under the Companies Act 2016.

On 5 December 2019, the Company was converted from a private limited liability company to a public limited liability company by shares and assumed its present name, Redplanet Berhad, to embark on the listing of and quotation for the entire enlarged share capital of the Company on the Leading Entrepreneur Accelerator Platform ("LEAP") Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

RESULTS

	Group RM	Company RM
Profit after taxation for the financial year/period	2,679,535	1,238,879

DIVIDENDS

On 28 August 2020, the Company declared an interim dividend of 0.75 sen per ordinary share amounting to RM1,195,475 in respect of the current financial period ended 30 June 2020, payable on 30 September 2020, to shareholders whose names appeared in the record of depositors on 15 September 2020. The financial statements for the current financial period do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2021.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

The Company was incorporated with a total paid-up share capital of RM1 comprising 100 ordinary shares.

During the financial period:-

(a) the Company increased its issued and paid-up share capital from RM1 to RM2,092,000 by issuance of 139,466,600 new ordinary shares at an issue price of RM0.015 per ordinary share, in total RM2,091,999 as the purchase consideration for the acquisition of a subsidiary company as disclosed in Note 6 to the financial statements.

    The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year/period which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year/period.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year/period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year/period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year/period in which this report is made.

DIRECTORS' REPORT

DIRECTORS

The names of directors of the Company who served during financial period and up to the date of this report are as follows:-

Panjetty Kumaradevan Senthil Kumar (Appointed on 22.11.2019)
Mohamad Azhar Bin Ahmad (Appointed on 22.11.2019)
Lian Wah Seng (Appointed on 22.11.2019)
Phong Hon Wai (Appointed on 27.5.2019)
Loke Teik Lee (First Director) (Resigned on 28.5.2019)

The names of directors of the Company's subsidiaries who served during the financial period until the date of this report, not including those directors mentioned above, is Uma Karthikeyan.

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial period in shares of the Company and its related corporations during the financial period are as follows:-

	Number of Ordinary Shares			
	At 22.4.2019	**Bought**	**Sold**	**At 30.6.2020**
<u>The Company</u>				
Indirect Interests				
Lian Wah Seng #	-	39,845,800	-	39,845,800
Mohamad Azhar Bin Ahmad @	100	16,554,800	-	16,554,900
Panjetty Kumaradevan Senthil Kumar ^	-	48,813,300	-	48,813,300

Notes:-
\# - Deemed interested by virtue of his direct substantial shareholdings in Newventures Equity Sdn. Bhd.
@ - Deemed interested by virtue of his direct substantial shareholdings in Fajar Muda Sdn. Bhd.
^ - Deemed interested by virtue of his direct substantial shareholdings in Pksen Ventures Sdn. Bhd.

By virtue of their shareholdings in the Company, Lian Wah Seng and Panjetty Kumaradevan Senthil Kumar are deemed to have interests in shares in its related corporations during the financial period to the extent of the Company's interersts, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial period had no interest in shares of the Company or its related corporations during the financial period.

DIRECTORS' BENEFITS

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

Neither during nor at the end of the financial year/period was the Group and of the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial period are disclosed in Note 26 to the financial statements.

INDEMNITY AND INSURANCE COST

During the financial year/period, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Group and of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

The significant events during the financial period are disclosed in Note 30 to the financial statements.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant events occurring after the reporting period are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration are disclosed in Note 20 to the financial statements.

Signed in accordance with a resolution of the directors dated 20 October 2020.

Lian Wah Seng

Mohamad Azhar Bin Ahmad

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

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

We, Lian Wah Seng and Mohamad Azhar Bin Ahmad, being the two of the directors of Redplanet Berhad, state that, in the opinion of the directors, the financial statements set out on pages 12 to 76 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 Group and of the Company as of 30 June 2020 and of their financial performance and cash flows for the financial year/period ended on that date.

Signed in accordance with a resolution of the directors dated 20 October 2020.

Lian Wah Seng **Mohamad Azhar Bin Ahmad**

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

I, Mohamad Azhar Bin Ahmad, being the director primarily responsible for the financial management of Redplanet Berhad., do solemnly and sincerely declare that the financial statements set out on pages 12 to 76 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Mohamad Azhar Bin Ahmad, NRIC Number: 720219-05-5117
at Kelana Jaya
in the Selangor
on this 20 October 2020

Mohamad Azhar Bin Ahmad

Before me

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDPLANET BERHAD

(Incorporated in Malaysia)

Registration No: 201901014292 (1323620 - A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Redplanet Berhad, which comprise the statements of financial position as at 30 June 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year/period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 76.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2020, and of their financial performance and their cash flows for the financial year/period 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 opinion.

Independence and Other Ethical Responsibilities

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

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 Group and of the Company and our auditors' report thereon.

Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and 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 Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and 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 Group or 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 Group and 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDPLANET BERHAD (CONT'D)

(Incorporated in Malaysia)

Registration No: 201901014292 (1323620 - A)

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

As a 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 Group and 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 Group's and 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 Group's and of 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 Group and 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 Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REDPLANET BERHAD (CONT'D)
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chin Kit Seong
03030/01/2021 J
Chartered Accountant

Kuala Lumpur

20 October 2020

REDPLANET BERHAD

(Incorporated in Malaysia)

Registration No: 201901014292 (1323620 - A)

STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2020

		Group		Company
		2020	2019	2020
	Note	RM	RM	RM
ASSETS				
NON-CURRENT ASSETS				
Investment in a subsidiary	6	-	-	3,318,044
Equipment	7	960,798	784,972	-
Right-of-use assets	8	202,590	-	-
		1,163,388	784,972	3,318,044
CURRENT ASSETS				
Trade receivables	9	251,624	1,191,754	-
Other receivables, deposits and prepayments	10	2,971,317	1,025,977	-
Contract assets	11	1,861,055	1,429,835	-
Current tax assets		-	7,320	-
Short-term investments	12	5,718,256	-	6,659
Cash and bank balances		1,459,584	495,759	8,086
		12,261,836	4,150,645	14,745
TOTAL ASSETS		13,425,224	4,935,617	3,332,789
EQUITY AND LIABILITIES				
EQUITY				
Share capital	13	2,064,910	773,956	2,064,910
Merger deficit	14	(1,318,043)	-	-
Retained profits		5,749,304	3,069,769	1,238,879
Foreign exchange translation reserve	15	280	(599)	-
TOTAL EQUITY		6,496,451	3,843,126	3,303,789
NON-CURRENT LIABILITY				
Lease liabilities	16	71,992	-	-
CURRENT LIABILITIES				
Trade payables	17	1,224,570	191,230	-
Contract liabilities	11	4,449,507	400,265	-
Other payables, deposits received and accruals	18	1,019,919	483,336	29,000
Lease liabilities	16	132,821	-	-
Current tax liabilities		29,964	17,660	-
		6,856,781	1,092,491	29,000
TOTAL LIABILITIES		6,928,773	1,092,491	29,000
TOTAL EQUITY AND LIABILITIES		13,425,224	4,935,617	3,332,789

The annexed notes form an integral part of these financial statements.

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020

		Group		Company
		1.7.2019 to 30.6.2020	**1.7.2018 to 30.6.2019**	**22.4.2019 to 30.6.2020**
	Note	**RM**	**RM**	**RM**
Revenue	19	16,599,587	15,229,058	1,606,500
Cost Of Sales		(11,144,992)	(10,260,605)	-
Gross Profit		5,454,595	4,968,453	1,606,500
Other Income		209,328	67,986	1,659
		5,663,923	5,036,439	1,608,159
Administrative Expenses		(2,169,859)	(1,597,468)	(122,577)
Other Expenses		(443,280)	(232,505)	-
Listing Expenses		(246,703)	(129,370)	(246,703)
Profit Before Taxation	20	2,804,081	3,077,096	1,238,879
Income Tax Expenses	21	(124,546)	(151,398)	-
PROFIT AFTER TAXATION		2,679,535	2,925,698	1,238,879
OTHER COMPREHENSIVE INCOME		-	-	-
Item that Will be Reclassified Subsequently to Profit or Loss				
Foreign currency translation differences		879	(599)	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		2,680,414	2,925,099	1,238,879
PROFIT AFTER TAXATION ATTRIBUTABLE TO:-				
Owners of the Company		2,679,535	2,925,698	1,238,879
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-				
Owners of the Company		2,680,414	2,925,099	1,238,879
EARNINGS PER SHARE (SEN)				
Basic	22	1.92	2.10	
Diluted	22	1.92	2.10	

The annexed notes form an integral part of these financial statements.

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020

Group	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Total Equity RM
		← Non-distributable		→	Distributable	
Balance at 1.7.2018		360,002	-	-	1,731,680	2,091,682
Contribution by and distribution to owners of the Company:						
- Issuance of shares		413,954	-	-	-	413,954
- Dividend	23	-	-	-	(1,587,609)	(1,587,609)
Total transactions with owners		413,954	-	-	(1,587,609)	(1,173,655)
Profit after taxation/Total comprehensive income for the financial year		-	-	(599)	2,925,698	2,925,099
Balance at 30.6.2019/1.7.2019		773,956	-	(599)	3,069,769	3,843,126
Contribution by and distribution to owners of the Company:						
- Issuance of shares		2,092,000	-	-	-	2,092,000
- Adjustment on acquisition of a subsidiary under common control	14	(773,956)	(1,318,043)	-	-	(2,091,999)
- Listing expenses		(27,090)	-	-	-	(27,090)
Total transactions with owners		1,290,954	(1,318,043)	-	-	(27,089)
Profit after taxation/Total comprehensive income for the financial year		-	-	879	2,679,535	2,680,414
Balance at 30.6.2020		2,064,910	(1,318,043)	280	5,749,304	6,496,451

The annexed notes form an integral part of these financial statements.

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020 (CONT'D)

Company	Note	Share Capital RM	Retained Profits RM	Total Equity RM
At 22.4.2019 (date of incorporation)		1	-	1
Contribution by and distribution to owners of the Company:				
- Issuance of shares	13	2,091,999	-	2,091,999
- Listing expenses		(27,090)	-	(27,090)
		2,064,909	-	2,064,909
Profit after taxation/Total comprehensive income for the financial period		-	1,238,879	1,238,879
Balance at 30.6.2020		2,064,910	1,238,879	3,303,789

The annexed notes form an integral part of these financial statements.

REDPLANET BERHAD

(Incorporated in Malaysia)

Registration No: 201901014292 (1323620 - A)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020

		Group		Company
		1.7.2019 to 30.6.2020	1.7.2018 to 30.6.2019	22.4.2019 to 30.6.2020
	Note	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation		2,804,081	3,077,096	1,238,879
Adjustments for:-				
Depreciation of equipment		246,750	167,411	-
Depreciation of right-of-use assets		168,392	-	-
Interest expense on lease liabilities		7,031	-	-
Listing expenses		246,703	129,370	246,703
Loss on disposal of equipment		750	-	-
Interest income		-	(3,495)	-
Income from short-term investments		(63,256)	(59,892)	(1,659)
Operating profit before working capital changes		3,410,451	3,310,490	1,483,923
Decrease in inventories		-	122,473	-
(Increase)/Decrease in trade and other receivables		(1,005,210)	1,637,928	-
Increase/(Decrease) in trade and other payables		1,569,923	(1,048,612)	29,000
Increase in contract assets		(431,220)	(1,429,835)	-
Increase in contract liabilities		4,049,242	400,265	-
Decrease in deferred income		-	(2,017,821)	-
CASH FROM OPERATIONS		7,593,186	974,888	1,512,923
Income tax paid		(145,386)	(664,877)	-
Income tax refunded		40,464	-	-
NET CASH FROM OPERATING ACTIVITIES CARRIED FORWARD		7,488,264	310,011	1,512,923

The annexed notes form an integral part of these financial statements.

REDPLANET BERHAD
(Incorporated in Malaysia)
Registration No: 201901014292 (1323620 - A)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020 (CONT'D)

		Group		Company
				22.4.2019
		2020	2019	to 30.6.2020
	Note	**RM**	**RM**	**RM**
NET CASH FROM OPERATING ACTIVITIES BROUGHT FORWARD		7,488,264	310,011	1,512,923
CASH FLOWS FOR INVESTING ACTIVITIES				
Interest income received		-	3,495	-
Income from short-term investments received		63,256	59,892	1,659
Proceeds from disposal of equipment		1,500	-	-
Purchase of equipment		(424,826)	(775,275)	-
Investment in a subsidiary		-	-	(1,226,045)
NET CASH FOR INVESTING ACTIVITIES		(360,070)	(711,888)	(1,224,386)
CASH FLOWS (FOR)/FROM FINANCING ACTIVITIES				
Dividend paid		-	(1,587,609)	-
Proceeds from issuance of ordinary shares		1	413,954	1
Listing expenses paid		(273,793)	(129,370)	(273,793)
Repayment of lease liabilities		(173,200)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES		(446,992)	(1,303,025)	(273,792)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		6,681,202	(1,704,902)	14,745
CASH AND CASH EQUIVALENTS AT BEGINNNING OF THE FINANCIAL YEAR/PERIOD		495,759	2,201,260	-
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		879	(599)	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	24(d)	7,177,840	495,759	14,745

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR/PERIOD ENDED 30 JUNE 2020

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No.8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
Principal place of business	:	Unit 25-12, Level 25 Q Sentral, 2A, Jalan Stesen Sentral 2, KL Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 20 October 2020.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

3. CONVERSION OF PRIVATE COMPANY TO PUBLIC COMPANY

The Company was incorporated in Malaysia on 22 April 2019 under the Companies Act 2016.

On 5 December 2019, the Company was converted from a private limited company to a public company limited by shares and assumed its present name, Redplanet Berhad, to embark on the listing of and quotation for the entire enlarged share capital of the Company on the LEAP Market of Bursa Securities.

4. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

4.1 During the current financial year, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRS and/or IC Interpretations (Including The Consequential Amendments)

MFRS 16 Leases
IC Interpretation 23 Uncertainty Over Income Tax Treatments
Amendments to MFRS 9: Prepayment Features with Negative Compensation
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures
Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's financial statements except as follows:-

(a) MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaced the previous guidance on lease accounting. Under MFRS 16, the classification of leases as either finance leases or operating leases is eliminated for lessees. All lessees are required to recognise their lease assets and the related lease obligations in the statement of financial position (with limited exceptions) as right-of-use assets and lease liabilities respectively. The right-of-use assets are subject to depreciation and the interest on lease liabilities are calculated using the effective interest method. The impacts on the financial statements of the Group upon its initial application of MFRS 16 are disclosed in Note 33 to the financial statements.

4. BASIS OF PREPARATION (CONT'D)

4.2 The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 4: Extension of the Temporary Exemption from Applying MFRS 9	At issue date of 17 August 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 116: Interest Rate Benchmakr Reform – Phase 2	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: COVID-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Annual Improvements to MFRS Standards 2018 – 2020	1 January 2022

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, other than as disclosed below:-

(a) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Note 9 and Note 11 to the financial statements.

(b) Revenue Recognition for Services

The Group recognises services revenue by reference to the services progress using the input method, determined based on the proportion of services costs incurred for work performed todate over the estimated total services costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Group's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

(a) Lease Terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

5.2 BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities, if any) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when accessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

The acquisition of Redplanet Solutions (M) Sdn. Bhd. by the Company has been accounted for as a business combination amongst entities under common control. Accordingly, the financial statements of the Group have been consolidated using the merger method of accounting.

Under the merger method of accounting, the results of the subsidiary are presented as if the merger had been effected throughout the current and previous financial years. The asset and liabilities combined are accounted for the based on the carrying amounts from the perspective of common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit or credit difference is classified as a non-distributable reserve.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Merger Accounting for Common Control Business Combinations

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party or parties, both before and after the business combination, and that control is not transitory.

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. Under the merger method of accounting, the results of the subsidiaries are presented as if the merger had been effected throughout the current financial year.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer’s interest in the net fair value of the acquiree’s identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the controlling party or parties’ interests.

When the merger method is used, the cost of investment in the Company’s books is recorded at the nominal value of shares issued. The difference between the carrying value of the investment and the nominal value of the shares of the subsidiaries is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included for the full financial year.

(c) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in Ownership Interests in Subsidiaries Without Change of Control

All changes in the parent’s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(e) Loss of Control

Upon the loss of control of a subsidiary, the Group recognise any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

5.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Foreign Currency Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the exchange rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.3 FUNCTIONAL AND FOREIGN CURRENCIES (CONT'D)

(c) Foreign Operations

Assets and liabilities of foreign operations (including any goodwill and fair value adjustments arising on acquisition) are translated to the Group's presentation currency at the exchange rates at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial assets), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity,

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value (other than trade receivables without significant financing component which are measured at transaction price as defined in MFRS 15 – Revenue from Contracts with Customers at inception). Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirely at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Group has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

(i) Financial Liabilities at Fair Value through Profit or Loss

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. The changes in fair value of these financial liabilities are recognised in profit or loss.

(ii) Other Financial Liabilities

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that from an integral part of the effective interest rate, transaction costs and other other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

(c) Equity Instruments

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently. Ordinary shares are classified as equity and recorded at the proceeds received, net of directly attributable transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

(e) Financial Guarantee Contracts

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

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the amount of the credit loss determined in accordance with the expected credit loss model and the amount initially recognised less cumulative amortisation.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.5 INVESTMENT IN SUBSIDIARIES

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

5.6 EQUIPMENT

All items of equipment are initially measured at cost. Cost includes expenditure that are directly attributable to the acquisition of the asset and other costs directly attributable to bringing the asset to working condition for its interest use.

Subsequent to initial recognition, all equipment are stated at cost less accumulated depreciation and any impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

Depreciation on equipment is charged to profit or loss (unless it is included in the carrying amount of another asset) on a straight-line method to write off the depreciate amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computer hardware and software	20%
Office equipment	10%
Renovation	20%
Telecommunication equipment	20%
Motor vehicles	20%
Furniture and fittings	20%

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 EQUIPMENT (CONT'D)

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment. Any changes are accounted for as a change in estimate.

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

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset, being the difference between the net disposal proceeds and the carrying amount, is recognised in profit or loss.

5.7 LEASES

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statement of financial position.

The right-of-use asset is initially measured at cost. Cost includes the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs, less any incentives received.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.7 LEASES (CONT'D)

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of the right-of-use assets are determined on the same basis as those equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

Accounting Policies Applied until 30 June 2019

(a) Operating Leases

All leases that do not transfer substantially to the Group all the risks and rewards incidental to ownership are classified as operating leases and, the leased assets are not recognised on the statement of financial position of the Group.

Payments made under operating leases are recognised as an expense in the profit or loss on a straight-line method over the term of the lease. Lease incentives received are recognised as a reduction of rental expense over the lease term on a straight-line method. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 CONTRACT ASSET AND CONTRACT LIABILITY

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment requirements of MFRS 9 - Financial Instruments.

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

5.9 CASH AND CASH EQUILAVENTS

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

5.10 EMPLOYEE BENEFITS

(a) Short-term benefits

Wages, salaries, paid annual leave and bonuses are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 IMPAIRMENT

(a) Impairment of Financial Assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience and are adjusted for forward-looking information (including time value of money where appropriate).

For all other financial instruments, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.11 IMPAIRMENT (CONT'D)

(b) Impairment of Non-financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount and an impairment loss shall be recognised. The recoverable amount of an asset is the higher of the asset’s fair value less costs to sell and its value-in-use, which is measured by reference to discounted future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (neither in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for all temporary differences other than those that arise from goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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 future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the related tax benefits will be realised.

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 OPERATING SEGMENTS

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5.14 EARNINGS PER ORDINARY SHARE

Basic earnings per ordinary share is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the reporting period, adjusted for own shares held.

Diluted earnings per ordinary share is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

5.15 FAIR VALUE MEASUREMENTS

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, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's 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.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns, rebates and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(a) Rendering of Services

Revenue from geographical information system ("GIS") solutions services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of project costs incurred for work performed todate over the estimated total project costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.16 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Rendering of Services (Cont'd)

Revenue for maintenance and support services is recognised on a straight-line basis over the term of the fixed price contract.

A receivable is recognised when the services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Sale of Information and Communication Technology ("ICT") Solutions

Revenue from ICT solutions includes sales of software, licences and hardware. Software and licences may be provided to the customer at a point in time, activated or ready to be activated by the customer at a later stage, therefore revenue is recognised when customer obtains control of the software or licences. Revenue for hardware is recognised where transfer of control is deemed to occur upon delivery of products and customer acceptances.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

5.17 REVENUE FROM OTHER SOURCES AND OTHER INCOME

(a) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(b) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

6. INVESTMENT IN A SUBSIDIARY

	Company 2020 RM
Unquoted shares, at cost:-	
At 22 April 2019 (date of incorporation)	-
Addition during the financial period	3,318,044
At 30 June 2020	3,318,044

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2020 %	Principal Activities
Subsidiary of the Company			
Redplanet Solutions (M) Sdn. Bhd.	Malaysia	100	Provision of GIS solutions, ICT solutions as well as maintenance and support services.
Subsidiaries held through Redplanet Solutions (M) Sdn. Bhd.			
Prudentlogic Sdn. Bhd.	Malaysia	100	Provision of GIS solutions, ICT solutions as well as maintenance and support services.
Redplanet Solutions (Aust) Pty Ltd. ^	Australia	100	The company is dormant during the financial year and its intended principal activities are provision of GIS solutions, ICT solutions as well as maintenance and support services.

^ Not required to be audited under the laws of the country of incorporation.

(a) On 3 September 2019, the Company acquired the entire equity interest in Redplanet Solutions (M) Sdn. Bhd. ("RPS") for a total purchase consideration of RM2,091,999 satisfied by issuance of 139,466,600 new ordinary shares of the Company. In consequent thereof, RPS became a wholly-owned subsidiary of the Company.

On 19 May 2020, the Company subscribed for an additional 22,000 new ordinary shares in RPS for a total consideration of RM1,226,045.

7. EQUIPMENT

	At 1.7.2019 RM	Additions RM	Disposal RM	Depreciation Charges RM	At 30.6.2020 RM
Group					
2020					
Carrying Amount					
Computer hardware and software	428,226	163,743	-	(115,441)	476,528
Office equipment	4,375	14,783	-	(1,429)	17,729
Renovation	64,701	129,990	-	(43,763)	150,928
Telecommunication equipment	8,560	-	-	(2,359)	6,201
Motor vehicles	266,860	-	(2,250)	(66,265)	198,345
Furniture and fittings	12,250	116,310	-	(17,493)	111,067
	784,972	424,826	(2,250)	(246,750)	960,798

	At 1.7.2018 RM	Additions RM	Depreciation Charges RM	At 30.6.2019 RM
Group				
2019				
Carrying Amount				
Computer hardware and software	72,116	422,802	(66,692)	428,226
Office equipment	3,866	1,065	(556)	4,375
Renovation	92,430	-	(27,729)	64,701
Telecommunication equipment	8,696	2,833	(2,969)	8,560
Motor vehicles	-	333,575	(66,715)	266,860
Furniture and fittings	-	15,000	(2,750)	12,250
	177,108	775,275	(167,411)	784,972

7. EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Group			
2020			
Computer hardware and software	668,081	(191,553)	476,528
Office equipment	20,486	(2,757)	17,729
Renovation	268,635	(117,707)	150,928
Telecommunication equipment	12,081	(5,880)	6,201
Motor vehicles	330,575	(132,230)	198,345
Furniture and fittings	131,310	(20,243)	111,067
	1,431,168	(470,370)	960,798

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
Group			
2019			
Computer hardware and software	504,338	(76,112)	428,226
Office equipment	5,703	(1,328)	4,375
Renovation	138,645	(73,944)	64,701
Telecommunication equipment	12,081	(3,521)	8,560
Motor vehicles	333,575	(66,715)	266,860
Furniture and fittings	15,000	(2,750)	12,250
	1,009,342	(224,370)	784,972

8. RIGHT-OF-USE ASSETS

	←	1.7.2019	→		
	As Previously Reported	**Initial Application of MFRS 16**	**As Restated**	**Depreciation Charge**	**At 30.6.2020**
	RM	**RM**	**RM**	**RM**	**RM**
Group					
2020					
Carrying Amount					
Office premises	-	370,982	370,982	(168,392)	202,590

Analysed by:	**RM**
Cost	370,982
Accumulated depreciation	(168,392)
	202,590

The comparative information is not presented as the Group has applied MFRS 16 using the modified retrospective approach.

(a) The Group leases office premises of which the leasing activities are summarised below:-

(i) Office premises: The Group has leased a number of office premises between 1 year and 3 years, with an option to renew. The Group is not allowed to sublease the office premises.

The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

9. TRADE RECEIVABLES

	Group	
	2020	**2019**
	RM	**RM**
Trade receivables	251,624	1,191,754

The Group's normal trade credit terms range from 30 to 90 days (2019 - 30 days).

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group	
	2020	**2019**
	RM	**RM**
Other receivables	1,356,197	779,729
Deposits	62,865	44,691
Prepayments	1,552,255	201,557
	2,971,317	1,025,977

The prepayments represent payments made in advance to trade payables.

11. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2020	**2019**
	RM	**RM**
Contract assets relating to service contracts	1,861,055	1,429,835
Contract liabilities relating to service contracts	(4,449,507)	(400,265)

(a) The contract assets primarily relate to the Group's right to consideration for services completed on services contracts but not yet billed as at the reporting date. The amount will be invoiced within 30 (2019 - 30) days.

Included in the contract assets are unbilled retention sum receivables amounting to RM411,756 (2019 - RM359,962). The retention sums are expected to be collected within 1 to 3 (2019 - 1) years.

(b) The contract liabilities primarily relates to advance considerations received from few customers of which the revenue will be recognised over the remaining contract term of the specific contract it relates to, for 12 (2019 - 12) months.

11. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) The changes to contract asset and the contract liability balances during the finanial year are summarised as below:-

	Group	
	2020	**2019**
	RM	**RM**
At 1 July	1,029,570	347,431
Revenue recognised in profit or loss in the financial year	13,285,600	8,344,999
Billings to customers during the financial year	(16,955,416)	(7,969,364)
Retention sum billed but not due	51,794	306,504
At 30 June	(2,588,452)	1,029,570
Represented by:-		
Conntract assets	1,861,055	1,429,835
Contract liabilities	(4,449,507)	(400,265)
	(2,588,452)	1,029,570

(d) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially satisfied performance obligations of the long-term contracts is RM19,681,396 (2019 - RM2,613,438). These remaining performance obligation are expected to be recognised within 1 to 3 (2019 - 1) years.

12. SHORT-TERM INVESTMENTS

	Group		Company
	2020	**2019**	**2020**
	RM	**RM**	**RM**
Money market funds, at fair value	5,718,256	-	6,659

13. SHARE CAPITAL

	Group/Company 2020 Number of shares	Group/Company 2020 RM
Issued and Fully Paid-Up		
Ordinary shares	100	1
At 22 April 2019 (date of incorporation)		
Issuance of shares	139,466,600	2,091,999
Listing expenses	-	(27,090)
At 30 June	139,466,700	2,064,910

(a) On 22 April 2019, the Company was incorporated with a total paid-up share capital of RM1 comprising 100 ordinary shares.

(b) On 3 September 2019, the Company increased its issued and paid-up share capital from RM1 to RM2,092,000 by issuance of 139,466,600 new ordinary shares for a total consideration of RM2,091,999 as full payment for the acquisition of a subsidiary, namely Redplanet Solutions (M) Sdn. Bhd. ("RPS"). The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

14. MERGER DEFICIT

The merger deficit arose from the difference between the carrying value of the investment and the nominal value of the shares of subsidiaries upon consolidation under the merger accounting principles.

	Group 2020 RM
Purchase consideration paid through issuance of shares of the Company	2,091,999
Less : Share capital of the subsidiary	(773,956)
Merger deficit	1,318,043

15. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency.

16. LEASE LIABILITIES

	Group 2020 RM
At 1 July 2019:	
- as previously reported	-
- initial application of MFRS 16 (Note 33)	370,982
- as restated	370,982
Interest expenses recognised in profit or loss (Note 20)	7,031
Repayment of principal	(166,169)
Repayment of interest expense	(7,031)
At 30 June 2020	204,813
Analysed by:-	
Curent liabilities	132,821
Non-current liabilities	71,992
	204,813

The comparative information is not presented as the Group has applied MFRS 16 using the modified restrospective approach.

17. TRADE PAYABLES

	Group 2020 RM	2019 RM
Trade payables	1,224,570	-
Accrued costs	-	191,230
	1,224,570	191,230

The normal credit terms of trade payables range from 30 to 90 days (2019 - 30 to 90 days).

18. OTHER PAYABLES AND ACCRUALS

	Group 2020 RM	Group 2019 RM	Company 2020 RM
Other payables	328,629	34,286	-
Accruals	691,290	449,050	29,000
	1,019,919	483,336	29,000

19. REVENUE

	Group 1.7.2019 to 30.6.2020 RM	Group 1.7.2018 to 30.6.2019 RM	Company 22.4.2019 to 30.6.2020 RM
Revenue recognised over time			
GIS solution services	8,543,193	5,069,493	-
Maintenance and support services	4,742,407	3,406,262	-
	13,285,600	8,475,755	-
Revenue recognised at a point in time			
ICT solutions	3,313,987	6,753,303	-
Dividend income	-	-	1,606,500
	16,599,587	15,229,058	1,606,500

20. PROFIT BEFORE TAXATION

	Group		Company
	1.7.2019 to 30.6.2020 RM	**1.7.2018 to 30.6.2019 RM**	**22.4.2019 to 30.6.2020 RM**
Profit before taxation is arrived at after charging/(crediting):-			
Audit fee:			
- for the financial year/period	74,000	44,000	27,000
Depreciation of:-			
- equipment (Note 7)	246,750	167,411	-
- right-of-use assets (Note 8)	168,392	-	-
Directors’ remuneration (Note 26)	518,403	254,102	49,553
Listing expenses	246,703	129,370	246,703
Loss on disposal of equipment	750	-	-
Short-term leases:			
- rental of premises	12,912	108,000	-
Interest expense on lease liabilities (Note 16)	7,031	-	-
Staff costs:			
- short-term employee benefits	4,149,063	3,348,522	-
- defined contribution plan	266,327	245,661	-
(Gain)/loss on foreign exchange :-			
- realised	(35,135)	62,149	-
Interest income	-	(3,495)	-
Income from short-term investments	(63,256)	(59,892)	(1,659)

21. INCOME TAX EXPENSE

	Group		Company
	1.7.2019 to 30.6.2020 RM	**1.7.2018 to 30.6.2019 RM**	**22.4.2019 to 30.6.2020 RM**
Current tax:			
- for the financial year/period	127,342	158,456	-
- overprovision in the previous financial year	(2,796)	(7,058)	-
	124,546	151,398	-

21. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Company is as follows:-

	Group		Company
	1.7.2019 to 30.6.2020 RM	1.7.2018 to 30.6.2019 RM	22.4.2019 to 30.6.2020 RM
Profit before taxation	2,804,081	3,077,096	1,238,879
Tax at the statutory tax rate of 24%	672,979	738,503	297,331
Tax effects of:-			
Non-deductible expenses	213,045	158,421	88,229
Tax-exempt income	(1,319,739)	(419,098)	-
Non-taxable income	(14,396)	-	(385,560)
Differential in tax rates	(42,000)	(40,934)	-
Deferred tax assets not recognised during the financial year	617,453	-	-
Utilisation of deferred tax assets previously not recognised	-	(278,436)	-
Underprovision of current tax in the previous financial year	(2,796)	(7,058)	-
Income tax expense for the financial year/period	124,546	151,398	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019 - 24%) of the estimated assessable profit for the financial year/period. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

The current tax expense of the Group is in respect of income from short-term investments. The Company is not subject to tax as it has been granted the MSC Malaysia status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act 1986. The Company will enjoy full exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 29 May 2017 to 28 May 2022. The Company is in the midst of applying the extension for another 5 years.

21. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets are recognised in the statements of financial position on the following items:-

	Group	
	2020	**2019**
	RM	**RM**
Deferred tax assets:		
- deferred income	4,449,507	400,265
- excess of depreciation over capital allowances	-	68,498
	4,449,507	468,763
Deferred tax liabilities:		
- prepaid expense	(1,552,255)	(200,042)
- accelerated of capital allowances over depreciation	(55,810)	-
	(1,608,065)	(200,042)
	2,841,442	268,721

22. EARNINGS PER SHARE

	Group	
	1.7.2019 to 30.6.2020	**1.7.2018 to 30.6.2019**
	RM	**RM**
Profit after taxation for the financial year attributable to owners of the Company (RM)	2,679,535	2,925,698
Weighted average number of ordinary shares in issue:		
- at 1 July/22 April 2019 (date of incorporation)	100	100
- acquisition of a subsidiary	139,466,600	139,466,600
	139,466,700	139,466,700
Basic earnings per share (Sen)	1.92	2.10

The number of ordinary shares used for the calculation of earnings per share in a common control combination which is accounted for using merger accounting, is the aggregate of the weighted average number of shares of the entity whose shares are outstanding after the combination. It is assumed that the weighted average number of ordinary shares for the financial period ended 30 June 2019 is the same as financial year ended 30 June 2020, as if the combined entity has always existed.

23. DIVIDENDS

	Group	
	2020	**2019**
	RM	**RM**
Interim dividend of RM4.41 per ordinary share in respect of the financial year ended 30 June 2019	-	1,587,609

On 28 August 2020, the Company declared an interim dividend of 0.75 sen per ordinary share in respect of the current financial year, payable on 30 September 2020, to shareholders whose name appeared in the record of depositors on 15 September 2020. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 30 June 2021.

24. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of equipment is as follows:-

	Group
	1.7.2019
	to 30.6.2020
	RM
Equipment	
Cost of equipment purchased (Note 7)	424,826

24. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Lease Liabilities RM
Group	
2020	
At 1 July:	
- as previously reported	-
- effects on adoption of MFRS 16	370,982
- as restated	370,982
<u>Changes in Financing Cash Flows:-</u>	
Repayment of principal	(166,169)
Repayment of interest	(7,031)
	(173,200)
<u>Non-cash Changes:-</u>	
Interest expense recognised in profit or loss	7,031
At 30 June	204,813

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

	Group 2020 RM
Payment of lease liabilities	166,169
Interest paid on lease liabilities	7,031
Payment of short-term leases	12,912
	186,112

24. CASH FLOW INFORMATION (CONT'D)

(d) The cash and cash equivalents comprise the following:-

	Group		Company
	2020	**2019**	**2020**
	RM	**RM**	**RM**
Short-term investments (Note 12)	5,718,256	-	6,659
Cash and bank balances	1,459,584	495,759	8,086
	7,177,840	495,759	14,745

25. RELATED PARTY DISCLOSURES

(a) Identities of Related Parties

Parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control.

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following transactions with the related parties during the financial year/period:-

	Group		Company
	1.7.2019 to 30.6.2020	**1.7.2018 to 30.6.2019**	**22.4.2019 to 30.6.2020**
	RM	**RM**	**RM**
Subsidiary			
Dividend income received from a subsidiary	-	-	1,606,500
Related party			
Serviced rendered by	18,000	18,000	-

26. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year/period are as follows:-

Directors

	Group		Company
	1.7.2019 to 30.6.2020	**1.7.2018 to 30.6.2019**	**22.4.2019 to 30.6.2020**
	RM	**RM**	**RM**
Directors of the Company			
Short-term employee benefits:			
- fees	61,553	12,000	49,553
- salaries, bonuses and other benefits	431,353	221,664	-
	492,906	233,664	49,553
Defined contribution benefits	16,735	14,661	-
Total directors' remuneration (Note 20)	509,641	248,325	49,553
Directors of the Subsidiary			
Short-term employee benefits:			
- fees	8,762	5,777	-
Total directors' remuneration (Note 20)	518,403	254,102	-

27. OPERATING SEGMENTS

27.1 BUSINESS SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment namely "Information and Technology".

27. OPERATING SEGMENTS (CONT'D)

27.2 GEOGRAPHICAL INFORMATION

In presenting the information on the basis of geographical segments, segmental information on non-current assets is not presented, as all non-current assets are located in Malaysia. Segmental revenue is based on the geographical location of customers as follows:-

	Group	
	1.7.2019 to 30.6.2020 RM	**1.7.2018 to 30.6.2019 RM**
Geographical Information		
Malaysia	13,886,284	15,229,058
Philippines	1,518,522	-
Others *	1,194,781	-
	16,599,587	15,229,058

* Comprising of Australia, Singapore and Nigeria.

27.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	Group	
	1.7.2019 to 30.6.2020 RM	**1.7.2018 to 30.6.2019 RM**
Customer A	11,409,434	13,670,766
Customer B	2,476,850	-
	13,886,284	13,670,766

28. OPERATING LEASE COMMITMENTS

The Group has applied MFRS 16 using the modified retrospective approach. As a result, the following information are disclosures required by MFRS 117 'Leases':-

(a) Leases as Lessee

The Group leases a number of office premises under non-cancellable operating leases. The future minimum lease payments under the non-cancellable operating leases as at the end of the previous reporting period are as follows:-

	Group 2019 RM
Not more than 1 year	173,200
Later than 1 year and not later than 5 years	210,800
Total	384,000

29. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

29.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of the Group. The currency giving rise to this risk is primarily United States Dollar ("USD") and Australian Dollar ("AUD"). Foreign currency risk is monitored closely on an going basis to ensure that the net exposure is at an acceptable level.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	United States Dollar RM	**Australian Dollar RM**	**Ringgit Malaysia RM**	**Total RM**
Group				
2020				
Financial Assets				
Trade receivables	73,644	-	177,980	251,624
Other receivables	-	1,533	1,354,664	1,356,197
Short-term investments	-	-	5,718,256	5,718,256
Cash and bank balances	947,165	21,246	491,173	1,459,584
	1,020,809	22,779	7,742,073	8,785,661
Financial Liabilities				
Trade payables	1,209,570	-	15,000	1,224,570
Other payables and accruals	-	2,203	1,017,716	1,019,919
Lease liabilities	-	-	204,813	204,813
	1,209,570	2,203	1,237,529	2,449,302
Net financial (liabilities)/assets	(188,761)	20,576	6,504,544	6,336,359
Less: Net financial liabilities/(assets) denominated in the respective entities's functional currencies	-	(20,576)	(6,504,544)	(6,525,120)
Currency exposure	(188,761)	-	-	(188,761)

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

	Australian Dollar RM	Ringgit Malaysia RM	Total RM
Group			
2019			
Financial Assets			
Trade receivables	-	1,191,754	1,191,754
Other receivables	1,118	778,611	779,729
Cash and bank balances	8,884	486,875	495,759
	10,002	2,457,240	2,467,242
Financial Liabilities			
Trade payables	-	191,230	191,230
Other payables and accruals	2,904	480,432	483,336
	2,904	671,662	674,566
Net financial assets	7,098	1,785,578	1,792,676
Less: Net financial assets denominated in the respective entities's functional currencies	(7,098)	(1,785,578)	(1,792,676)
Currency exposure	-	-	-

Company

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	Group	
	2020	2019
	RM	RM
Effects on Profit After Taxation		
USD/RM - strengthened by 5%	(7,173)	-
- weakened by 5%	7,173	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

The Group does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

The Group principal exposure to equity price risk arises mainly from changes in market price of money market unit trust funds. Equity price risk is monitored closely and managed to an acceptable level.

Equity Price Risk Sentivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in market price of money market funds at the end of the reporting period, with all other variables held constant:-

	Group/Company	
	2020	**2019**
	RM	**RM**
Effects On Profit After Taxation		
Increase by 5%	217,294	-
Decrease by 5%	(217,294)	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The Group’s exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit Risk Concentration Profile

The Group's major concentration of credit risk relates to the amounts owing by 2 customers which constituted 100% of its trade receivables at the end of the reporting period.

(ii) Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

At each reporting date, the Group assesses whether any of financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt) despite they are still subject to enforcement activities.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

(iii) Assessment of Impairment Losses

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group considers any receivables having financial difficulty or in default with significant balances outstanding for more than a year are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over a period of 12 months from the measurement date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle their debts.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

The information about the exposure to credit risk and the loss allowances calculated for both trade receivables and contract assets are summarised below:-

Group	**Gross Amount RM**	**Individual Impairment RM**	**Collective Impairment RM**	**Carrying Amount RM**
2020				
Not past due	73,644	-	-	73,644
Past due:				
- less than 1 month	-	-	-	-
- 1 to 2 months	-	-	-	-
- over 2 months	177,980	-	-	177,980
Trade receivables	251,624	-	-	251,624
Contract assets	1,861,055	-	-	1,861,055
	2,112,679	-	-	2,112,679

	Gross Amount RM	**Lifetime Loss Allowance RM**	**Carrying Amount RM**
2019			
Not past due	1,179,034	-	1,179,034
Past due:			
- less than 1 month	-	-	-
- 1 to 2 months	-	-	-
- over 2 months	12,720	-	12,720
Trade receivables	1,191,754	-	1,191,754
Contract assets	1,429,835	-	1,429,835
	2,621,589	-	2,621,589

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Company applies the 3-stage general approach to measuring expected credit losses for other receivables. No expected credit loss is recognised on these balances as it is negligible.

Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Group is of the view that the loss allowance is immaterial and hence, it is not provided for.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years
	%	RM	RM	RM	RM
Group					
2020					
Non-derivative Financial Liabilities					
Trade payables	-	1,224,570	1,224,570	1,224,570	-
Other payables and accruals	-	1,019,919	1,019,919	1,019,919	-
Lease liabilities	3.5	204,813	210,800	136,800	74,000
		2,449,302	2,455,289	2,381,289	74,000
2019					
Non-derivative Financial Liabilities					
Trade payables	-	191,230	191,230	191,230	-
Other payables and accruals	-	483,336	483,336	483,336	-
		674,566	674,566	674,566	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

	Weighted Average Effective Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years
	%	RM	RM	RM	RM
Company					
2020					
Non-derivative Financial Liabilities					
Other payables and accruals	-	29,000	29,000	29,000	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. As the Group has no external borrowings, the debt-to-equity ratio at the end of the reporting period is not presented as it may not provide a meaningful indicator of the risk of borrowings.

29.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	Group		Company
	2020	2019	2020
	RM	RM	RM
Financial Assets			
Amortised Cost			
Trade receivables (Note 9)	251,624	1,191,754	-
Other receivables (Note 10)	1,356,197	779,729	-
Cash and bank balances	1,459,584	495,759	8,086
	3,067,405	2,467,242	8,086
Mandatorily Fair Value Through Profit or loss			
Short-term investments (Note 12)	5,718,256	-	6,659

29. FINANCIAL INSTRUMENTS (CONT'D)

29.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	Group		Company
	2020	2019	2020
	RM	RM	RM
Financial Liability			
Amortised Cost			
Trade payables (Note 17)	1,224,570	191,230	-
Other payables and accruals (Note 18)	1,019,919	483,336	29,000
Lease liabilities (Note 16)	204,813	-	-
	2,449,302	674,566	29,000

29.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	Group		Company
	2020	2019	2020
	RM	RM	RM
Financial Assets			
Amortised Cost			
Net gains recognised in profit or loss	-	63,387	-
Mandatorily Fair Value Through Profit or loss			
Net gains recognised in profit or loss	63,256	-	1,659
Financial Liability			
Amortised Cost			
Net losses recognised in profit or loss	(7,031)	-	-

29. FINANCIAL INSTRUMENTS (CONT'D)

29.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments				
	Carried At Fair Value			Total	Carrying
	Level 1	Level 2	Level 3	Fair Value	Amount
	RM	RM	RM	RM	RM
Group					
2020					
Financial Asset					
Short-term investments:					
- money market funds	5,718,256	-	-	-	5,718,256
Company					
2020					
Financial Asset					
Short-term investments:					
- money market funds	6,659	-	-	-	6,659

Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values of the Group's and the Company's short-term investments are determined using their quoted closing prices at the end of the reporting period.

(ii) There were no transfers between level 1 and level 2 during the financial year/period.

30. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(a) On 3 September 2019 and 1 November 2019, the Company entered into a share sale agreement and a supplemental letter agreement respectively with the shareholders of Redplanet Solutions (M) Sdn. Bhd. ("RPS") to acquire the entire equity interest in RPS comprising 378,000 ordinary shares for a total purchase consideration of RM2,091,999 which fully satisfied by the issuance of 139,466,600 new ordinary shares at an issue price of RM0.015 per share.

The purchase consideration was arrived at on a willing buyer-willing seller basis, after taking into consideration of the audited net assets position of RPS as at 30 June 2018 of RM2,091,682. The acquisition of RPS was completed on 12 November 2019 and RPS became a wholly-owned subsidiary of the Company thereafter.

(b) On 11 February 2020, the Company obtained conditional approval from Bursa Malaysia Securities Berhad ("Bursa Securities") to list the Company on the Leading Entrepreneur Accelerator Platform ("LEAP") Market of Bursa Securities.

(c) The outbreak of COVID-19 in early 2020 has affected the business and economic environments of the Group. The government and various private corporations have taken different measures to prevent the spread of the virus such as travel bans, quarantines, closures of non-essential services, social distancing and home quarantine requirements which impacted consumers' spending pattern and the Group's operations directly or indirectly. Given the widespread nature of the outbreak and the unpredictability of future development of COVID-19, the Group is unable to quantify the potential financial impact of the COVID-19 pandemic on the Group's 2020 financial statements reliably at this juncture.

31. SIGNIFICANT EVENTS OCCURING AFTER THE REPORTING PERIOD

(a) On 29 July 2020, the issued and paid-up share capital was increased from 139,466,700 ordinary shares to 159,396,700 ordinary shares by a public issue of 19,930,000 ordinary shares at an issue price of RM0.18 per share. All newly issued ordinary shares rank pari passu in all respect with the existing ordinary shares of the Company.

(b) On 4 August 2020, the Company was successfully admitted to the Official List of Bursa Securities with the listing of and quotation for its entire enlarged issued share capital of RM5,679,400 comprising of 159,396,700 ordinary shares on the LEAP Market of Bursa Securities.

32. COMPARATIVE FIGURES

(a) Group

The comparative figures of the Group were presented based on the financial statements of the subsidiaries which were accounted for using the merger method of accounting, as the subsidiaries were under common control by the same party both before and after the acquisition by the Company, and that control is not transitory.

(b) Company

The comparative figures covered the financial period from 22 April 2019 (date of incorporation) to 30 June 2020. This is the first set of the Company's financial statements since its date of incorporation. Hence, no comparative figures are presented.

33. INITIAL APPLICATION OF MFRS 16

The Group has adopted MFRS 16 using the modified retrospective approach under which the cumulative effect of initial application, if any, is recognised as an adjustment to the retained profits as at 1 July 2019 (date of initial application) without restating any comparative information.

The Group has applied MFRS 16 only to contracts that were previously identified as leases under MFRS 117 'Leases' and IC Interpretation 4 'Determining Whether an Arrangement Contains a Lease'. Therefore, MFRS 16 has been applied only to contracts entered into or changed on or after 1 July 2019.

(a) Lessee Accounting

At 1 July 2019, for leases that were classified as operating leases under MFRS 117, the Group measured the lease liabilities at the present value of the remaining lease payments, discounted using the incremental borrowing rate at that date of 3.5%. The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease.

33. INITIAL APPLICATION OF MFRS 16 (CONT'D)

(a) Lessee Accounting (Cont'd)

The Group has used the following practical expedients in applying MFRS 16 for the first time:-

- Applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Applied for the exemption not to recognise operating leases with a remaining lease term of less than 12 months as at 1 July 2019;
- Excluded initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- Used hindsight in determining the lease term where the lease contract contains options to extend or terminate the lease

(b) Financial Impacts

The main impacts resulting from the adoption of MFRS 16 at 1 July 2019 are summarised below:-

	1 July 2019		
	As Previously Reported RM	**MFRS 16 Adjustments RM**	**As Restated RM**
Statements of Financial Position			
Right-of-use assets (Note 8)	-	370,982	370,982
Lease liabilities (Note 16)	-	(370,982)	(370,982)