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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF ACHIEVA TECHNOLOGY SDN. BHD.

Registration No.: 199601017371 (389722-A)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Achieva Technology Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended and notes to the financial statements, including material accounting policy information, as set out on pages 9 to 46.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
ACHIEVA TECHNOLOGY SDN. BHD. (cont'd)**

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Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
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Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 260 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

MOORE STEPHENS ASSOCIATES PLT
201304000972 (LLP0000963-LCA)
Chartered Accountants (AF002096)

Petaling Jaya, Selangor
Date: 8 March 2024

LO KUAN CHE
03016/11/2024 J
Chartered Accountant

Registration No.: 199601017371 (389722-A)

ACHIEVA TECHNOLOGY SDN. BHD.
(Incorporated in Malaysia)

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

	Note	2023 RM	2022 RM
Revenue	4	195,230,739	163,558,171
Cost of sales		<u>(188,590,677)</u>	<u>(157,798,850)</u>
Gross profit		6,640,062	5,759,321
Other income		3,216,776	2,131,323
Selling and distribution expenses		(1,589,255)	(1,260,321)
Administrative expenses		(3,095,910)	(2,914,129)
Employee benefit expenses	6(a)	(2,740,025)	(2,350,663)
Other expenses		<u>(2,601,893)</u>	<u>(3,920,231)</u>
Loss from operations		(170,245)	(2,554,700)
Finance costs	5	<u>(1,647,056)</u>	<u>(1,166,657)</u>
Loss before tax	6	(1,817,301)	(3,721,357)
Tax credit/(expense)	7	<u>1,644</u>	<u>(8,175)</u>
Loss net of tax, representing total comprehensive income for the financial year		<u><u>(1,815,657)</u></u>	<u><u>(3,729,532)</u></u>

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

Registration No.: 199601017371 (389722-A)

ACHIEVA TECHNOLOGY SDN. BHD.
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Plant and equipment	8	131,809	127,887
Intangible assets	9	-	-
Investment property	10	500,000	500,000
Right-of-use assets	11	1,137,076	467,604
		<u>1,768,885</u>	<u>1,095,491</u>
Current assets			
Inventories	12	26,658,261	30,199,767
Trade receivables	13	35,554,125	26,748,884
Other receivables	14	1,133,735	3,359,593
Amounts due from related companies	15	107,830	89,434
Amount due from immediate holding company	21	-	489,987
Tax recoverable		14,073	9,228
Cash and bank balances		4,658,706	5,915,740
		<u>68,126,730</u>	<u>66,812,633</u>
TOTAL ASSETS		<u>69,895,615</u>	<u>67,908,124</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	20,356,157	20,356,157
Accumulated losses		<u>(15,809,869)</u>	<u>(13,994,212)</u>
TOTAL EQUITY		<u>4,546,288</u>	<u>6,361,945</u>
Non-current liability			
Lease liabilities	17	<u>746,209</u>	<u>46,508</u>
Current liabilities			
Trade payables	18	6,723,092	3,286,407
Other payables	19	3,084,733	3,315,241
Amount due to ultimate holding company	20	363,938	1,705,809
Amount due to immediate holding company	21	12,861,377	19,011,407
Amounts due to related companies	15	18,836,711	9,197,141
Borrowings	22	22,344,000	24,548,000
Lease liabilities	17	389,267	435,666
		<u>64,603,118</u>	<u>61,499,671</u>
Total Liabilities		<u>65,349,327</u>	<u>61,546,179</u>
TOTAL EQUITY AND LIABILITIES		<u>69,895,615</u>	<u>67,908,124</u>

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ACHIEVA TECHNOLOGY SDN. BHD.
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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 1 January 2022	20,356,157	(10,264,680)	10,091,477
Loss net of tax, representing total comprehensive income for the financial year	<u>-</u>	<u>(3,729,532)</u>	<u>(3,729,532)</u>
At 31 December 2022 / 1 January 2023	20,356,157	(13,994,212)	6,361,945
Loss net of tax, representing total comprehensive income for the financial year	<u>-</u>	<u>(1,815,657)</u>	<u>(1,815,657)</u>
At 31 December 2023	<u>20,356,157</u>	<u>(15,809,869)</u>	<u>4,546,288</u>

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.

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ACHIEVA TECHNOLOGY SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Cash Flows from Operating Activities			
Loss before tax		(1,817,301)	(3,721,357)
Adjustments for:			
(Reversal)/Allowance for inventories obsolescences		(508,805)	894,969
Allowance/(Reversal) for impairment loss on:			
- trade receivables		280,164	(80,191)
Depreciation of plant and equipment		71,699	77,113
Depreciation of right-of-use ("ROU") assets		450,749	448,967
Gain on disposal of plant and equipment		-	(52,000)
Inventories written off		7,795	-
Plant and equipment written off		425	-
Interest expense		1,647,056	1,166,657
Interest income		(31,020)	(23,459)
Fair value change on investment property		-	20,000
Unrealised gain on foreign exchange		(508,016)	(612,315)
Operating loss before			
working capital changes		(407,254)	(1,881,616)
Inventories		4,042,516	(8,066,105)
Receivables		(6,514,559)	(3,497,877)
Payables		3,273,653	4,690,732
Immediate holding company		(6,890,077)	9,057,068
Related companies		5,764,745	(2,249,574)
Cash used in operations		(730,976)	(1,947,372)
Interest received		31,020	23,459
Interest paid		(1,647,056)	(1,166,657)
Tax paid		(9,321)	(10,965)
Tax refunded		6,120	-
Net cash used in operating activities		(2,350,213)	(3,101,535)
Cash Flows from Investing Activities			
Proceeds from disposal of plant and equipment		-	52,000
Net cash inflow from disposal of subsidiary		-	1
Purchase of plant and equipment		(76,046)	(2,730)
Advances to immediate holding company		-	(489,987)
Advances to subsidiary		-	(20,743)
Advances to related companies		12,176	(11,539)
Net cash used in investing activities		(63,870)	(472,998)

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)

	Note	2023 RM	2022 RM
Cash Flows from Financing Activities			
Net drawdown of borrowings	(i)	(2,204,000)	4,387,000
Payment of principal portion of lease liabilities	(ii)	(466,919)	(447,132)
(Repayment to)/Advances from ultimate holding company	(iii)	(1,321,534)	1,263,483
Advances from/(Repayment to) immediate holding company	(iii)	1,198,766	(2,084,718)
Advances from related companies	(iii)	3,876,152	302,913
Net cash from financing activities		<u>1,082,465</u>	<u>3,421,546</u>
Net decrease in cash and cash equivalents		(1,331,618)	(152,987)
Effect of exchange rate fluctuations on cash and cash equivalents		74,584	24,032
Cash and cash equivalents at beginning of the financial year		<u>5,915,740</u>	<u>6,044,695</u>
Cash and cash equivalents at end of the financial year		<u><u>4,658,706</u></u>	<u><u>5,915,740</u></u>

(i) Reconciliation of movements of borrowings to cash flows arising from financing activities:

	Revolving credit RM	Bankers' acceptance RM	Total RM
At 1 January 2022	1,000,000	19,161,000	20,161,000
Drawdown	-	99,949,000	99,949,000
Repayment	(44,144)	(96,535,809)	(96,579,953)
Finance costs	44,144	973,809	1,017,953
Net changes in cash flow from financing activities	-	4,387,000	4,387,000
At 31 December 2022	<u>1,000,000</u>	<u>23,548,000</u>	<u>24,548,000</u>
At 1 January 2023	1,000,000	23,548,000	24,548,000
Drawdown	-	119,178,634	119,178,634
Repayment	(52,089)	(122,834,189)	(122,886,278)
Finance costs	52,089	1,451,555	1,503,644
Net changes in cash flow from financing activities	-	(2,204,000)	(2,204,000)
At 31 December 2023	<u>1,000,000</u>	<u>21,344,000</u>	<u>22,344,000</u>

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)

(ii) Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	2023	2022
	RM	RM
At 1 January	482,174	930,021
Additions	1,138,405	-
Lease modification	(18,184)	(715)
Repayment	(475,541)	(472,677)
Finance costs	8,622	25,545
Net changes in cash flow from financing activities	(466,919)	(447,132)
At 31 December	<u>1,135,476</u>	<u>482,174</u>

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Amount due to ultimate holding company RM	Amount due to immediate holding company RM	Amounts due to related companies RM
At 1 January 2022	425,184	17,363,494	11,180,534
Finance costs	123,159	-	-
Management fees	1,119,724	904,762	307,363
Drawn down/(Repayment to)	20,600	(2,989,465)	(4,450)
Net changes in cash flow from financing activities	1,263,483	(2,084,703)	302,913
Net changes from operating activities	-	9,057,068	(2,176,048)
Net assignment of debts	-	(5,053,288)	-
Unrealised foreign exchange gain/(loss)	17,142	(271,164)	(110,258)
At 31 December 2022	<u>1,705,809</u>	<u>19,011,407</u>	<u>9,197,141</u>
At 1 January 2023	1,705,809	19,011,407	9,197,141
Finance costs	134,790	-	-
Management fees	451,782	1,489,899	326,402
Repayment to	(1,908,106)	(781,120)	3,549,750
Net changes in cash flow from financing activities	(1,321,534)	708,779	3,876,152
Net changes from operating activities	-	(6,890,077)	5,803,471
Unrealised foreign exchange loss/(gain)	(20,337)	31,268	(40,053)
At 31 December 2023	<u>363,938</u>	<u>12,861,377</u>	<u>18,836,711</u>

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (cont'd)

(iv) Reconciliation of cash outflows for leases as lessee:

	2023	2022
	RM	RM
Included in net cash used in operating activities		
Interest paid in relation to lease liabilities	(8,622)	(25,545)
Included in net cash from financing activities		
Payment for principal portion of lease liabilities	<u>(466,919)</u>	<u>(447,132)</u>

The annexed notes form an integral part of,
and should be read in conjunction with, these financial statements.