

Company No.: 202001021077 (1377397-V)

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201401001527(1077600-W), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
200301018243(620563-U), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
201201002757(976282-T), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
200701002581(760579-K), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00
202001021077(1377397-V), APP-CIU-FINANCIAL STATEMENT CA 2016 (PRIVATE LIMITED)	50.00

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

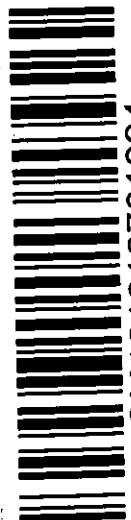
**REPORTS AND  
FINANCIAL STATEMENTS**

**31 DECEMBER 2021**

These Financial Statements and Reports  
of the Company with ~~Qualified~~/Unqualified  
Auditor's Report for the financial year end  
**31 December 2021** were circulated on **30 June 2022**

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.....  
WONG CHOK KHEE  
Company Secretary  
(MIA : 25777)  
(Practising Certificate No : 201908003673)



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**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

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Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

**BOARD OF DIRECTORS**

CHOONG CHEE LEONG  
LIEW KONG SENG  
LIEW WEE KHONG

**COMPANY SECRETARIES**

WONG CHOK KHEE  
WOO SWEE KIONG

**PRINCIPAL PLACE OF BUSINESS**

NO. 2, PERSIARAN SUNGAI CHUA  
PUSAT PERINDUSTRIAN SUNGAI CHUA  
43000 KAJANG  
SELANGOR DARUL EHSAN

**REGISTERED OFFICE**

NO. 2-12 (2ND FLOOR), JALAN PJU 8/3  
PERDANA BUSINESS CENTRE  
BANDAR DAMANSARA PERDANA  
47820 PETALING JAYA  
SELANGOR DARUL EHSAN

**BANKER**

PUBLIC BANK BERHAD

**AUDITORS**

SC LIEW & CO. (AF 1547)  
CHARTERED ACCOUNTANTS  
51-1, JALAN 5/116B  
KUCHAI ENTREPRENEURS' PARK  
OFF JALAN KUCHAI LAMA  
58200 KUALA LUMPUR

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT – 31 DECEMBER 2021**

The Directors hereby submit their report together with the audited financial statements of the Company for the financial period ended 31 December 2021.

**INCORPORATION AND COMMENCEMENT OF BUSINESS**

The Company was incorporated on 29 July 2020 and had commenced business operation during the financial period.

**PRINCIPAL ACTIVITIES**

The Company is principally engaged in wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles.

There have been no significant changes in these principal activities during the financial period.

**FINANCIAL RESULTS**

Net Profit After Tax For The Period	RM <u>397,514</u>
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**DIVIDENDS**

No dividend has been paid or declared by the Company since the date of incorporation. The Directors also do not recommend any dividend payment in respect of current financial period.

**RESERVES AND PROVISIONS**

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

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
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**DIRECTORS' REPORT – 31 DECEMBER 2021**

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**ISSUE OF SHARES AND DEBENTURES**

During the financial period,

(a) the Company has issued the following new shares:

<u>Class</u>	<u>No. of share</u>	<u>Term of issue</u>	<u>Consideration</u>	<u>Purpose of issue</u>
Ordinary share	300,000	Cash	RM300,000	Subscribers' share

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

**DIRECTORS**

The Directors who held office during the financial period until the date of this report are as follows:

Choong Chee Leong	(First director)
Liew Kong Seng	(First director)
Liew Wee Khong	(First director)

**DIRECTORS' INTEREST**

According to the register of Directors' shareholdings under Section 59 of the Companies Act 2016, the interests of Directors in office at the end of the financial period in the ordinary shares of the Company are as follows:

	Number of Ordinary Shares			
	As At <u>29/07/2020</u>	<u>Bought</u>	<u>Sold</u>	As At <u>31/12/2021</u>
Choong Chee Leong	120,000	-	-	120,000
Liew Kong Seng	120,000	-	-	120,000
Liew Wee Khong	60,000	-	-	60,000

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT – 31 DECEMBER 2021**

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**DIRECTORS' BENEFITS**

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of, the Company or any other body corporate.

Since the date of incorporation, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivables by Directors shown in the Company financial statements or fixed salary of a full-time employee of the Company) 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.

**DIRECTORS' REMUNERATION**

The details of the Directors' remuneration paid or payable to the Directors of the Company during the financial period are disclosed in Note 18 to the financial statements.

**BAD AND DOUBTFUL DEBTS**

Before the financial statements were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts have been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances, which would render the amounts written off of bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT – 31 DECEMBER 2021**

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**CURRENT ASSETS**

Before the financial statements were prepared, the Directors took reasonable steps to ensure that any current assets, which were unlikely to realise in the ordinary course of business including the value of current assets as shown in the accounting records of the Company have been written down to an amount which the current assets 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 current assets in the financial statements of the Company misleading.

**VALUATION METHODS**

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

**CONTINGENT AND OTHER LIABILITIES**

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

- (i) any charge on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
- (ii) any contingent liability of the Company which has arisen since the end of the financial period.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability 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 which would render any amount stated in the financial statements misleading.

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT – 31 DECEMBER 2021**

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**ITEMS OF AN UNUSUAL NATURE**

The results of the operations of the Company during the financial period ended 31 December 2021 were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

**SIGNIFICANT EVENT AFTER THE END OF THE REPORTING PERIOD**

There has not arisen in the interval between the end of the financial 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 Company for the financial period in which this report is made.

**INDEMNITY AND INSURANCE COST**

There was no indemnity given to or insurance effected for any Directors, officers or auditor of the Company during the financial period.

**AUDITORS' REMUNERATION**

The auditors' remuneration is disclosed in Note 15 to the financial statements.



Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**DIRECTORS' REPORT – 31 DECEMBER 2021**

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**AUDITORS**

The auditors, Messrs. SC Liew & Co., have indicated their willingness to continue in office.

On behalf of the Board of Directors



**CHOONG CHEE LEONG**  
Director



**LIEW KONG SENG**  
Director

Kuala Lumpur

7 JUN 2022

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

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

In the opinion of the Directors, the accompanying statement of financial position, statement of income and retained earnings and statement of cash flows of the Company, together with the notes thereto, are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows of the Company for the financial period ended on that date in accordance with the applicable Malaysian Private Entities Reporting Standard in Malaysia and the provisions of the Companies Act 2016.

Signed in accordance with a resolution of the Directors



CHOONG CHEE LEONG  
Director



LIEW KONG SENG  
Director

Kuala Lumpur

7 JUN 2022

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

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

I, LIEW KONG SENG, being the Director primarily responsible for the accounting records and financial management of TYRE ONE MARKETING SDN. BHD. [202001021077 (1377397-V)], do solemnly and sincerely declare that the accompanying statement of financial position of the Company as at 31 December 2021 and statement of income and retained earnings and statement of cash flows of the Company for the financial period then ended together with the notes attached thereto are to the best of my knowledge and belief correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
LIEW KONG SENG at Kuala Lumpur )  
in the state of Federal Territory on )  
7 JUN 2022 )



LIEW KONG SENG

Before me,



No. 14-1 (Tingkat 1), Jalan Kuchai Maju 16  
(Jalan 6/116B), Kuchai Entrepreneur's Park,  
Jalan Kuchai Lama, 58200 Kuala Lumpur,  
Wilayah Persekutuan.  
MALAYSIA

# SC LIEW & CO. (AF 1547)

*Chartered Accountants*

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYRE ONE MARKETING SDN. BHD.

[Company No.: 202001021077 (1377397-V)]

(Incorporated in Malaysia)

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of TYRE ONE MARKETING SDN. BHD. , which comprise the statement of financial position as at 31 December 2021, and the statement of income and retained earnings and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

#### *Basis for Opinion*

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

#### *Independence and Other Ethical Responsibilities*

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

#### *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.

# SC LIEW & CO. (AF 1547)

*Chartered Accountants*

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYRE ONE MARKETING SDN. BHD.**

**[Company No.: 202001021077 (1377397-V)]**

**(Incorporated in Malaysia)**

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

### *Responsibilities of the Directors for the Financial Statements*

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

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

### *Auditors' Responsibilities for the Audit of the Financial Statements*

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

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

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

# SC LIEW & CO. (AF 1547)

*Chartered Accountants*

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TYRE ONE MARKETING SDN. BHD.

[Company No.: 202001021077 (1377397-V)]

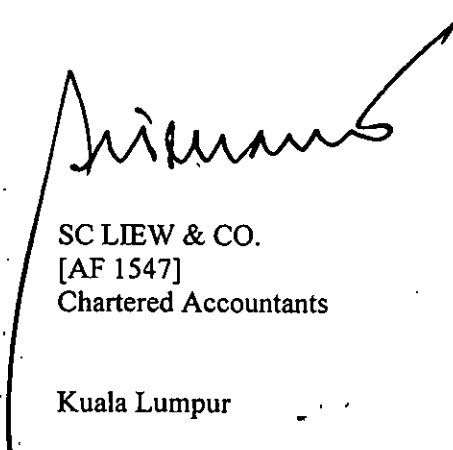
(Incorporated in Malaysia)

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

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

### *Other Matters*

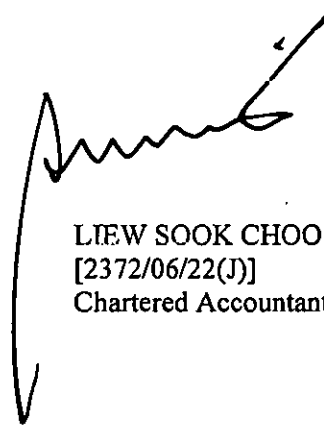
This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



SC LIEW & CO.  
[AF 1547]  
Chartered Accountants

Kuala Lumpur

7 JUN 2022



LIEW SOOK CHOO  
[2372/06/22(J)]  
Chartered Accountant

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021**

<u>ASSETS</u>	NOTE	RM
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	6	<u>119,317</u>
<b>CURRENT ASSETS</b>		
Inventories	7	1,521,774
Trade receivables and deposit	8	567,878
Bank balance		<u>65,219</u>
		<u>2,154,871</u>
<b>TOTAL ASSETS</b>		<u><u>2,274,188</u></u>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>EQUITY</b>		
Share capital	9	300,000
Retained earning		<u>397,514</u>
<b>TOTAL EQUITY</b>		<u><u>697,514</u></u>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	10	63,325
Deferred taxation	11	<u>1,490</u>
		<u>64,815</u>
<b>CURRENT LIABILITIES</b>		
Sundry payables and accruals	12	436,178
Lease liabilities	10	-
Amount due to directors	13	995,000
Income tax payable		<u>80,681</u>
		<u>1,511,859</u>
<b>TOTAL LIABILITIES</b>		<u><u>1,576,674</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,274,188</u></u>

The accompanying notes form an integral part of the financial statements

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE  
PERIOD FROM 29 JULY 2020 (DATE OF INCORPORATION) TO  
31 DECEMBER 2021**

	NOTE	RM
REVENUE	14	7,371,069
COST OF SALES		(6,214,724)
GROSS PROFIT		<u>1,156,345</u>
OTHER INCOME		3,600
ADMINISTRATION EXPENSES		(519,094)
SELLING AND DISTRIBUTION EXPENSES		(113,416)
OTHER OPERATING EXPENSES		(32,925)
PROFIT FROM OPERATION		<u>494,510</u>
FINANCE COSTS		(14,825)
PROFIT BEFORE TAXATION	15	<u>479,685</u>
TAXATION	16	(82,171)
PROFIT AFTER TAX FOR THE PERIOD		<u>397,514</u>
RETAINED EARNING AT DATE OF INCORPORATION		-
RETAINED EARNING AT END OF THE PERIOD		<u><u>397,514</u></u>

The accompanying notes form an integral part of the financial statements



Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS FOR THE PERIOD FROM  
29 JULY 2020 (DATE OF INCORPORATION) TO 31 DECEMBER 2021**

	NOTE	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation		479,685
Adjustments for :		
Depreciation of plant and equipment		28,222
Interest expense		14,825
Operating profit before working capital changes		<u>522,732</u>
Changes in working capital:		
Inventories		(1,521,774)
Trade receivables and deposit		(567,878)
Sundry payables and accruals		436,178
Cash used in operations		<u>(1,130,742)</u>
Interest paid		(14,825)
Net cash used in operating activities		<u>(1,145,567)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	17	<u>(49,039)</u>
Net cash used in investing activities		<u>(49,039)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Advance from directors		995,000
Proceeds from issue of shares		300,000
Repayment of lease liabilities		(35,175)
Net cash from financing activities		<u>1,259,825</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		65,219
<b>CASH AND CASH EQUIVALENT AT DATE OF INCORPORATION</b>		<u>-</u>
<b>CASH AND CASH EQUIVALENT AT END OF THE PERIOD</b>		<u><u>65,219</u></u>
<b>Analysis:</b>		
Bank balance		<u><u>65,219</u></u>

The accompanying notes form an integral part of the financial statements

Company No.: 202001021077 (1377397-V)

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**

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**1. GENERAL INFORMATION**

The Company, Tyre One Marketing Sdn. Bhd., is a private company incorporated and domiciled in Malaysia.

The Company was incorporated on 29 July 2020 and had commenced business operation during the financial period.

The Company is principally engaged in wholesale and retail sale of all kinds of parts, components, supplies, tools and accessories for motor vehicles.

There have been no significant changes in these principal activities during the financial period.

The address of the principal place of business and registered office of the Company is as follows:

**Principal place of business**  
No. 2, Persiaran Sungai Chua  
Pusat Perindustrian Sungai Chua  
43000 Kajang  
Selangor Darul Ehsan

**Registered office**  
No. 2-12 (2nd Floor), Jalan PJU 8/3  
Perdana Business Centre  
Bandar Damansara Perdana  
47820 Petaling Jaya  
Selangor Darul Ehsan

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

The financial statements were authorised for issue by the Board of Directors on  
7 JUN 2022

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**

**2. COMPLIANCE WITH FINANCIAL REPORTING STANDARDS AND THE COMPANIES ACT 2016**

The financial statements of the Company have been prepared in compliance with the Malaysian Private Entities Reporting Standard (MPERS) issued by the Malaysian Accounting Standards Board (MASB) and the provisions of the Malaysian Companies Act 2016.

**3. BASIS OF PREPARATION**

The financial statements of the Company have been prepared using cost and fair value bases.

Management has used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts. The areas involving significant judgements and estimation uncertainties are disclosed in Note 5.

**4. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**

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**4.1 Plant and Equipment and Depreciation**

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use, and the estimated costs of dismantling and removing the items and restoring the site on which they are located.

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

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The net book value of the replaced item of plant and equipment is derecognised with any corresponding gain or loss recognised in the profit or loss accordingly. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

Depreciation for plant and equipment is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment.

The estimated useful lives are as follow:-

Motor vehicles	5 years
Office equipment	10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021**

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**4.2 Inventories**

Inventories are valued at the lower of cost and net realisable value (which is the estimated selling price less costs to sell) after adequate provision has been made for all damaged, obsolete and slow moving stocks. Cost, which is determined on the first in first out basis, consists of the invoiced value of goods purchased and other costs specifically incurred in bringing the stocks to their present location and condition.

**4.3 Cash and Cash Equivalents**

Cash and cash equivalents are 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, net of outstanding bank overdrafts.

**4.4 Financial Instrument**

**4.4.1 Initial recognition and measurement**

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

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

**TYRE ONE MARKETING SDN. BHD.**  
(Incorporated in Malaysia)

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4.4.2 Derecognition of financial instrument

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 the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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 expired. 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.

4.4.3 Subsequent measurement

The Company categorises financial instruments as follows:

(a) Financial assets

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.5.1. Gains and losses are recognised in profit or loss through the amortisation process.

(b) Financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

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**4.5 Impairment**

**4.5.1 Financial assets**

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment. If any such objective evidence exists, then the financial asset's recoverable amount is estimated.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

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4.5.2 Other assets

The carrying amounts of other assets except for inventories are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

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

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



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**4.6 Leases**

**4.6.1 Finance lease**

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land and building which in substance is a finance lease is classified as plant and equipment.

**4.6.2 Operating leases**

Leases, where the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

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

Leasehold land and building which in substance is an operating lease is classified as prepaid lease payments.

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**4.6.3 Leases of land and buildings**

For a lease that includes land and building elements, the Company assesses the classification of each element as a finance lease or an operating lease separately in accordance with indicators in Section 20 Leases of MPERS. The minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease. If substantially all of the risks and rewards incidental to ownership have been transferred to a lessee, the leasehold land and buildings are treated as a finance lease and capitalised as an item of plant and equipment. Short-term leases of land and buildings are treated as operating leases and the underlying leased assets are not capitalised. Any upfront lease payments are classified as a prepaid lease payment, an intangible asset in the nature of right-of-use asset.

**4.7 Equity instruments**

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

**4.8 Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

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**4.9 Revenue**

The Company measures revenue from a sale of goods transaction at the fair value of the consideration received or receivable, which is usually the invoice price, net of discounts, rebates, returns and taxes given to a customer in a sale transaction.

Revenue from a sale of goods is recognised when:

- (a) the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of the revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the Company; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**4.10 Borrowing Costs**

Borrowing costs of the Company include interest on loans, finance lease liabilities and interest expense of other debt instruments calculated using the effective interest method. All borrowing costs are recognised as an expense when incurred.

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**4.11 Income Taxes**

Income tax on the profit or loss for the period comprises current and deferred taxes. Income tax is recognised in the profit or loss.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous period.

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

Deferred tax is not recognised if the temporary difference arises from goodwill or negative 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 is measured at the rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

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**4.12 Employee Benefits**

**4.12.1 Short term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial period in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**4.12.2 Defined contribution plans**

As required by law, companies in Malaysia make contributions to the Employees Provident fund (EPF). Such contributions are recognised as an expense in the profit or loss as incurred.

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**5. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY**

Significant areas of critical judgements and estimation uncertainty in applying accounting policies that have significant effect in determining the amount recognised in the financial period include the following:

**5.1 Depreciation of plant and equipment**

The Company regularly reviews the estimated useful lives of plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of plant and equipment would increase the recorded depreciation and decrease the value of plant and equipment.

**5.2 Impairment or write-down of slow-moving and obsolete inventories**

The Company writes down its slow-moving and obsolete inventories based on assessment of their fair value less costs to sell. Inventories are written down when events and circumstances indicate that the carrying amounts may not be recoverable. Management uses its judgement to analyse past sales trend and current economic trends to evaluate the adequacy of the impairment loss for slow-moving and obsolete inventories. The actual impairment loss can only be confirmed in any subsequent sales of those inventories and this may differ from the estimates made earlier. This may affect the Company's financial position and results.

**5.3 Loss allowances of financial assets**

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

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**6. PLANT AND EQUIPMENT**

	At 29/07/2020	Additions	Disposal	At 31/12/2021
<u>COST</u>	RM	RM	RM	RM
Motor vehicles	-	134,680	-	134,680
Office equipment	-	12,859	-	12,859
	-	147,539	-	147,539

ACCUMULATED DEPRECIATION

Motor vehicles	-	26,936	-	26,936
Office equipment	-	1,286	-	1,286
	-	28,222	-	28,222

	31/12/2021
<u>NET BOOK VALUE</u>	RM
Motor vehicles	107,744
Office equipment	11,573
	<u>119,317</u>

The net book value of property, plant and equipment under finance leases amounting to RM107,744.

**7. INVENTORIES**

	RM
Inventories for resale	882,195
Goods in transit	639,579
	<u>1,521,774</u>

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**8. TRADE RECEIVABLES AND DEPOSIT**

	RM
Trade receivables	537,878
Sundry deposit	<u>30,000</u>
	<u><u>567,878</u></u>

The Company's normal trade credit terms ranges from 30 to 90 days. Other credit terms are assessed and approved on a case by case basis.

The Company has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

**9. SHARE CAPITAL**

	Number of shares	RM
Ordinary shares with no par value		
<u>Issued and fully paid:</u>		
Balance at date of incorporation and end of the financial period	<u>300,000</u>	<u>300,000</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.



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**10. LEASE LIABILITIES**

	RM
Future minimum lease payments:	
Within one year	-
After one year and not later than five years	65,670
After five years	14,549
	<u>80,219</u>
Future finance charges	<u>(16,894)</u>
	<u>63,325</u>
Present value of lease liabilities:	
Within one year	-
After one year and not later than five years	49,190
After five years	14,135
	<u>63,325</u>

The lease liabilities bear effective interest at rate of 6.34% per annum.

**11. DEFERRED TAXATION**

	RM
Balance at date of incorporation	-
Amount recognised from profit or loss (Note 16)	1,490
Balance at end of the period	<u>1,490</u>

The deferred tax liabilities is in respect of tax effects of temporary differences arising from the excess of tax capital allowances over book depreciation of plant and equipment.

**12. SUNDRY PAYABLES AND ACCRUALS**

	RM
Sundry payables	402,225
Accruals	33,953
	<u>436,178</u>

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**13. AMOUNT DUE TO DIRECTORS**

Included in amount due to Directors amount of RM300,000 bearing interest of 1.00% per annum. All other balances interest free, unsecured and repayable on demand.

**14. REVENUE**

	29.07.2020
	TO
	31.12.2021
	RM
Sale of goods	<u>7,371,069</u>

**15. PROFIT BEFORE TAXATION**

	29.07.2020
	TO
	31.12.2021
	RM
Profit before taxation is stated after charging:	
Auditors' remuneration	8,910
Depreciation of plant and equipment	28,222
Directors' remuneration - other	60,270
Lease interest	6,825
Preliminary expenses	2,200
Rental of premises	165,000
Sundry interest	<u>8,000</u>

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**16. TAXATION**

	29.07.2020
	TO
	31.12.2021
	RM
Income tax expenses for the period	80,681
Deferred tax (Note 11)	1,490
	<u>82,171</u>

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

	29.07.2020
	TO
	31.12.2021
	RM
Profit before taxation	<u>479,685</u>
Taxation at Malaysian Statutory tax rate of 17%	81,546
Income not subject to tax	(612)
Expenses not deductible for tax purposes	1,237
Tax expense for the period	<u>82,171</u>

**17. PURCHASE OF PLANT AND EQUIPMENT**

	RM
Additional during the financial year (Note 6)	147,539
Less: Finance under lease liabilities	<u>(98,500)</u>
Net cash used in purchase of plant and equipment	<u>49,039</u>

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**18. DIRECTORS' REMUNERATION**

	29.07.2020
	TO
	31.12.2021
	RM
Directors' remuneration:	
Commission	<u>60,270</u>

**19. RELATED PARTY DISCLOSURES**

a) Key management personnel compensation

	29.07.2020
	TO
	31.12.2021
	RM
Total compensation	<u>60,270</u>

b) Significant related party transactions

The Company entered into the following significant transactions with related parties during the financial period:

	29.07.2020
	TO
	31.12.2021
	RM
Transactions with a Company in which Director has financial interest:	
Rental expenses / payables	165,000
Sundry interest expenses / payables	<u>8,000</u>

The outstanding balances arising from related party transaction is disclosed in Note 13.

No interest is charged for the related party current receivables and payables except disclosed in Note 13. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts due by related parties.

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**20. COMPARATIVE FIGURES**

No comparative figures are available as this is the first financial statements of the Company.

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