

SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:

1. SALE AND PURCHASE OF THE SALE SHARES

In consideration of the warranties as set out in the SPA given by the Vendor, CICC agreed to purchase from the Vendor the Sale Shares free from all encumbrances and with all rights, benefits and entitlement as of and including the Completion Date.

2. CONDITIONS PRECEDENT

2.1 The obligations of the Vendor and CICC to complete the sale and purchase of the Sale Shares under the SPA shall be conditional upon the fulfilment of all of the following conditions precedent within 3 months from the date of the SPA ("**Conditional Period**"):

- (i) CICC having obtained approval from its shareholder which is CGB to purchase the Sale Shares from the Vendor, upon the terms of the SPA;
- (ii) CICC having caused CGB to obtain approval from its shareholders for CICC to purchase the Sale Shares from the Vendor and for CGB to allot and issue the Consideration Shares, upon the terms of the SPA;
- (iii) the Vendor having obtained approval from its shareholders and directors to sell the Sale Shares to CICC, upon the terms of the SPA; and
- (iv) CICC having caused CGB to obtain approval from Bursa Securities for the listing of and quotation for the Consideration Shares on the Main Market of Bursa Securities.

(collectively, the "**Conditions Precedent**")

2.2 The sale and purchase of the Sale Shares shall become unconditional on the day all the Conditions Precedent are fulfilled (or waived by CICC) in writing and such day shall be referred to as the "**Unconditional Date**".

3. COMPLETION

3.1 The completion of the sale and purchase of the Sale Shares shall take place at the office of CICC within 14 days from the Unconditional Date or such other date as CICC may determine at its absolute discretion, which shall be notified to the Vendor in writing ("**Completion Date**").

3.2 On Completion Date, the Vendor shall deliver or caused to be delivered to CICC the following documents:

- (i) a confirmation or undertaking letter from the Vendor that:
 - (a) all warranties and representations in the SPA have been complied with in all material respects, and are true and accurate as at the Completion Date;
 - (b) there being no change of circumstances which makes it unlawful for the Vendor to sell the Sale Shares to the Purchaser; and
 - (c) the sale of the Sale Shares as well as the obligation of CICC to purchase the Sale Shares are not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority in Malaysia on or before the Completion Date.
- (ii) the share certificates in respect of the Sale Shares (if any);

SALIENT TERMS OF THE SPA (CONT'D)

- (iii) the valid and registrable transfer forms (subject to stamp duty only) in respect of the Sale Shares duly executed by the Vendor in favour of CICC together with other duly executed documents necessary to effect the transfer;
- (iv) certified true copy of the resolutions of the directors of the Vendor authorising the execution and performance of Vendor's obligation under the SPA; and
- (v) original or certified true copy of the resolutions of the directors of RYRT International approving the transfer of the Sale Shares to CICC and the registration of the Sale Shares in the name of CICC and the use of RYRT International's common seal on the new share certificate(s) to be issued in favour of CICC (if applicable).

(collectively, "**Completion Documents**")

- 3.3 Against the delivery of the Completion Documents, CICC shall on Completion Date, cause CGB to allot and issue 10,200,000 Consideration Shares to the Vendor to be credited as fully paid-up share capital in CGB at the issue price of RM1.30 per Consideration Share.
- 3.4 For the avoidance of doubt, the completion of the Proposed Acquisition shall for all intents and purposes be deemed to have taken place as set out in **Clause 3.3** of this **Appendix I** and the legal and beneficial ownership of the Sale Shares shall pass to CICC on the Completion Date.

4. REPRESENTATIONS, WARRANTIES AND INDEMNITIES

- 4.1 The Vendor represents and warrants to CICC that each of the statements, representations, and warranties set out in the SPA are true and accurate and not misleading in all respects as at the date hereof and the Completion Date as though the same were made on the Completion Date with reference to the then existing circumstances, and shall continue to have full force and effect notwithstanding the completion of the Proposed Acquisition.
- 4.2 The Vendor acknowledges that CICC has entered into the SPA on the basis of and in reliance upon (among other things) each of the representations and warranties vide the Vendor's warranties only. Despite of any terms that may conflict with this clause, the Vendor does not make any warranties in respect of CICC's ability to generate income, profitability or gain from the purchase of the Sale Shares.
- 4.3 CICC hereby represent and warrant to the Vendor that:
 - (i) it has full power and authority to enter into the SPA and the SPA constitutes an agreement binding on it without any requirement to obtain the approval or consent of any third party save for the approvals required as set out in the SPA;
 - (ii) all corporate actions have been taken, or shall be taken, and all corporate authorisations have been obtained, or shall be obtained, by CICC to enable it to execute the SPA and the SPA constitutes a valid, binding and enforceable obligation of CICC; and
 - (iii) there is no law, regulation or decree binding on CICC that will or may be breached or violated as a result of execution of the SPA by CICC.

CICC acknowledges that the Vendor has entered into the SPA in reliance upon (among other things) each of the representations and warranties stated herein.

SALIENT TERMS OF THE SPA (CONT'D)

- 4.4 The Vendor undertakes to indemnify CICC and hold CICC harmless from and against all Losses suffered or incurred by CICC:
- (i) as the result of a breach by the Vendor of any warranty; and
 - (ii) arising from the additional Tax being imposed on RYRT International for the event(s) or transaction(s) which have occurred on or before the Completion Date and the amount of such indemnity shall be proportional to the Vendor's shareholding in RYRT International prior to the Completion Date.

5. RIGHTS TO TERMINATE

- 5.1 In addition to any other rights to terminate the SPA, a party ("**Terminating Party**") may by written notice given to the other party at the completion of the Proposed Acquisition or any time prior to Completion terminate the SPA if any fact, matter or event (whether existing or occurring on or before the date of the SPA or arising or occurring after the date of the SPA) comes to the notice of the Terminating Party at the completion or any time prior to the completion which:
- (i) constitutes a breach by the other Party ("**Defaulting Party**") of the SPA (including, without limitation, any breach of the covenants or other obligations of such Defaulting Party). Provided that if such breach is capable of rectification, the right to terminate herein shall only apply if such breach is not rectified by the Defaulting Party within thirty (30) calendar days of notice to the Defaulting Party of the breach; and
 - (ii) would constitute a breach of any of the warranties.

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SALIENT TERMS OF THE SUPPLEMENTAL SPA

CICC and the Guarantors have mutually agreed the salient terms of the Supplemental SPA as follows:

- (i) based on the previous terms of the PGA, the profit guarantee period of 1 September 2021 to 31 August 2023 will be superseded and revised to between 1 September 2021 to 31 December 2024;
- (ii) the relevant terms and conditions relating to the PGA will be superseded;
- (iii) the profit guarantee amount for the Revised Profit Guarantee Period is RM50.0 million;
- (iv) the CGB Shares that have been allotted to RYRT Holdings in accordance with the terms and conditions of the First SPA shall subject to the Revised Profit Guarantee Period and Revised Profit Guarantee Amount;
- (v) the Guarantors shall agree to guarantee 100% of the Revised Profit Guarantee Amount;
- (vi) after audit confirmation is received on the audited aggregate financial results of RYRT International for the period from 1 September 2021 to 31 December 2024, if there is a profit shortfall, the Guarantors shall compensate CICC in cash equivalent to 100% of the Profit Shortfall; and
- (vii) apart from performing the statutory audit on the financial results of RYRT International for the FYE 31 December 2023 and 2024, no interim audit will be performed on the financial results of RYRT International for the financial period between 1 March 2023 to 31 December 2024.

Save for the above, all other terms and conditions of the SPA remain unchanged including but not limited to the conditions precedent of the SPA in particular CICC having caused CGB to obtain approval from its shareholders to give effect to the Supplemental SPA.

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SALIENT TERMS OF THE FIRST SPA

For information purposes, the previous salient terms of the First SPA are as follows:

1. SALE AND PURCHASE OF THE 1,400,070 RYRT INTERNATIONAL SHARES

In consideration of the warranties as set out in the First SPA given by RYRT Holdings, Lee Chee Vui and Soo Yu Chai (collectively referred to as the “**Selling Parties**”) and the Selling Parties agreeing to enter into the PGA with CICC, CICC agreed to purchase from the Vendor 1,400,070 RYRT International Shares free from all encumbrances and with all rights, benefits and entitlement as of and including the completion date.

2. CONDITIONS PRECEDENT

2.1 The obligations of the Vendor and CICC to complete the sale and purchase of the 1,400,070 RYRT International Shares under the First SPA shall be conditional upon the fulfilment of all of the following conditions precedent within 3 months from the date of the First SPA:

- (a) CICC having obtained approval from its directors and CGB to purchase the 1,400,070 RYRT International Shares from the Vendor, upon the terms of the First SPA;
- (b) CICC having caused CGB to obtain approval from its shareholders and directors for CICC to purchase the 1,400,070 RYRT International Shares from the Vendor and for CGB to allot and issue the 28,942,308 new CGB Shares, upon the terms of the First SPA;
- (c) the Vendor having obtained approval from directors of RYRT International to sell the 1,400,070 RYRT International Shares to CICC, upon the terms of the First SPA;
- (d) the Vendor having obtained approval from its shareholders and directors to sell the 1,400,070 RYRT International Shares to CICC, upon the terms of the First SPA;
- (e) CICC having caused CGB to obtain approval from Bursa Securities for the listing of and quotation for the 28,942,308 new CGB Shares on the Main Market of Bursa Securities; and
- (f) CICC being satisfied with the results of the legal due diligence exercise to be conducted on RYRT International

2.2 The sale and purchase of the 1,400,070 RYRT International Shares shall become unconditional on the day all the conditions precedent set out in **Clause 2.1** of this **Appendix III** are fulfilled (or waived by CICC) and such day shall be referred to as the “**Initial Unconditional Date**”.

3. COMPLETION

3.1 The completion of the sale and purchase of the 1,400,070 RYRT International Shares shall take place at the office of CICC within 14 days from the Initial Unconditional Date or such other date as CICC may determine at its absolute discretion, which shall be notified to the Vendor in writing (“**Initial Completion Date**”).

3.2 On Initial Completion Date, the Vendor shall deliver or caused to be delivered to CICC the following documents:

- (a) a confirmation or undertaking letter from the Selling Parties that:
 - (i) all warranties and representations in the First SPA have been complied with in all material respects, and are true and accurate as at the Initial Completion Date;

SALIENT TERMS OF THE FIRST SPA (CONT'D)

- (ii) there being no change of circumstances which makes it unlawful for the Vendor to sell the 1,400,070 RYRT International Shares to the Purchaser; and
 - (iii) the sale of the 1,400,070 RYRT International Shares as well as the obligation of CICC to purchase the 1,400,070 RYRT International Shares are not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority in Malaysia on or before the Initial Completion Date;
- (b) the share certificates in respect of the 1,400,070 RYRT International Shares (if any);
 - (c) the valid and registrable transfer forms (subject to stamp duty only) in respect of the 1,400,070 RYRT International Shares duly executed by the Vendor in favour of CICC together with other duly executed documents necessary to effect the transfer;
 - (d) original or certified true copy of the resolutions of the directors of RYRT International approving the transfer of the 1,400,070 RYRT International Shares to CICC and the registration of the 1,400,070 RYRT International Shares in the name of CICC and the use of RYRT International's common seal on the new share certificate(s) to be issued in favour of CICC (if applicable);
 - (e) original or certified true copy of the resolutions of the directors of RYRT International approving the appointment of such number of board representative as CICC may deem fit so as to constitute a majority of the board of directors of RYRT International; and
 - (f) all the statutory books, accounts books, files, the common seal (if any) and all documents of RYRT International, if so required by CICC.
- 3.3** Against the delivery of the completion documents set out in **Clause 3.1** of this **Appendix III**, CICC shall on Initial Completion Date, cause CGB to allot and issue 14,471,154 new CGB Shares to the Vendor to be credited as fully paid-up share capital in CGB at the issue price of RM1.04 per CGB Share.
- 3.4** For the avoidance of doubt, completion shall for all intents and purposes be deemed to have taken place as set out in **Clause 3.3** of this **Appendix III** and the legal and beneficial ownership of the 1,400,070 RYRT International Shares shall pass to CICC on the Initial Completion Date.
- 3.5** The parties agree that the balance 14,471,154 new CGB Shares ("**Balance Consideration Shares**") shall be allotted and issued on a deferred payment basis in the following manner:
- (a) where applicable, at every 6 months interval (namely financial periods ending 28 February 2022, 31 August 2022, 28 February 2023 and 31 August 2023 and where **Clause 3.6** of this **Appendix III** is applicable, 29 February 2024 and 31 August 2024), a proportionate amount of Balance Consideration Shares equivalent to 70% of the aggregate audited PAT for each of the aforementioned 6 months interval shall be allotted and issued by CGB to the Vendor less any deduction and set-off pursuant to **Clause 3.8** of this **Appendix III**; and
 - (b) for the avoidance of doubt, the allotment and issuance under Clause 3.5(a) above will not exceed the Balance Consideration Shares.
- 3.6** The parties agree to procure auditors, at the Vendor's costs, to audit RYRT International at, inter alia, the end of every 6 months interval referred to in Clause 3.5(a) above and issue an auditors' confirmation letter ("**Auditors' Confirmation Letter**") reporting the aggregate audited PAT / results after tax of RYRT International.

SALIENT TERMS OF THE FIRST SPA (CONT'D)

- 3.7** The parties agree that the Vendor shall have no entitlement to any Balance Consideration Shares that remain unallotted and unissued after the issuance of the Auditors' Confirmation Letter for the 6 months interval ending at:
- (a) 31 August 2023; or
 - (b) 31 August 2024 (in the event of any suspension of RYRT International's operations for a duration of more than 2 weeks due to any lockdowns or movement control orders imposed by the appropriate authorities).
- 3.8** Without derogating from CICC's right to be indemnified under the First SPA, in the event any of the Selling Parties are in breach of the warranties and representations made under the First SPA, CICC shall be entitled to deduct and set off from the balance consideration (amounting to RM15.05 million) any losses, damages, claims and demands arising out of a breach or breaches of the warranties and representations in any material respect under the First SPA or for any breach of term and condition of the First SPA.

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SALIENT TERMS OF THE PGA

For information purposes, the previous salient terms of the PGA are as follows:

1. PROFIT GUARANTEE

1.1 The Selling Parties covenant with CICC that:

- (a) the aggregate audited PAT of RYRT International for the financial period commencing 1 September 2021 until 31 August 2023 shall not be less than RM43,000,000; or
- (b) in the event that RYRT International's operations are fully suspended for a duration of more than 2 weeks due to any lockdowns or movement control orders imposed by the appropriate authorities, the aggregate audited PAT of RYRT International for the financial period commencing 1 September 2021 until 31 August 2023 shall not be less than RM34,400,000. Under this circumstance, the parties will mutually agree to extend the said profit guarantee period for a further of two 6 months intervals from 1 September 2023 until 31 August 2024 for RYRT International to meet the profit guarantee and not more than RM8,600,000 from the audited PAT for the FYE 31 August 2024 can be utilised for the purpose of calculating the profit guarantee and/or any profit shortfall arising therefrom.

1.2 The Selling Parties further covenant with CICC that in the event:

- (a) the actual audited aggregate results of RYRT International for the said profit guarantee period is less than the profit guarantee; or
- (b) where Clause 1.1(b) above is applicable, the actual audited aggregate results of RYRT International for the financial period commencing 1 September 2023 until 31 August 2024 is less than the profit guarantee,

the Selling Parties shall jointly and severally compensate CICC for the shortfall or deficiency between the actual audited aggregate results and the profit guarantee in the manner provided in **Clause 1.3** below.

1.3 The Selling Parties irrevocably and unconditionally undertake that if the Auditors' Certificate (defined below) states and confirms an aggregate shortfall or deficiency from the profit guarantee, then the Selling Parties shall, within 60 days from the date of the Auditors' Certificate, jointly and severally compensate CICC in cash, in an amount equivalent to 70% of the said profit shortfall, less any remaining balance consideration (after any deductions to said balance consideration for any losses or damages due to any breach of warranties by the Selling Parties under the First SPA).

For the avoidance of doubt, the remedies available to CICC to recover 70% of the profit shortfall are as follows:

- (i) to withhold the allotment of, a portion or the entire, 50% of the 1,400,070 RYRT International Shares, provided that the said balance RYRT International Shares had not been allotted at the relevant point in time; and/or
- (ii) to require the Selling Parties to compensate CICC in cash for the amount equivalent to 70% of the profit shortfall less any remaining balance consideration that had not be settled through the allotment and issuance of the 1,400,070 RYRT International Shares (after any deductions to said balance consideration for any losses or damages due to any breach of warranties by the Selling Parties under the First SPA).

SALIENT TERMS OF THE PGA (CONT'D)

2. AUDITORS' CERTIFICATE

- 2.1** The parties agree to procure auditors, at the Vendor's cost, to audit RYRT International for the profit guarantee period or the extended profit guarantee period (as the case may be) and issue an auditors' certificate ("**Auditors' Certificate**") and such Auditors' Certificate shall state and confirm the following:
- (a) the aggregate audited net profits / results of RYRT International; and
 - (b) the shortfall or deficiency (including loss), if any, between the actual aggregate audited net profits / results and the profit guarantee for the profit guarantee period or the extended profit guarantee period.
- 2.2** The parties agree that the Auditors' Certificate shall be binding and conclusive on all parties and shall not be questioned by any parties on any grounds whatsoever, save and except in the event of manifest error.
- 2.3** The Selling Parties shall not be obliged to make further payments to the Purchaser if the compensation payable by the Selling Parties to the Purchaser exceeds the amount of the profit guarantee and the Purchaser shall under no circumstance be required to pay more than the sum of the balance consideration. The balance consideration shall not bear any interest.

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INFORMATION ON RYRT INTERNATIONAL

1. HISTORY AND BUSINESS

RYRT International was incorporated in Malaysia on 18 June 2019 under the Act as a private limited company. RYRT International is a contractor with Category G7 registered with the CIDB and is qualified to tender and carry out all categories of private construction contracts. RYRT International is principally involved in the construction of building and other engineering projects. The principal market for RYRT International's projects is located in Sabah, Malaysia. RYRT International commenced its operations in December 2020. The type of assets owned by RYRT International include, among others, motor vehicles, office equipment, and project site equipment.

As at the LPD, RYRT International's completed project and ongoing projects are as follows:

(i) RYRT International's completed project

<u>Project</u>	<u>Scope of Work</u>	<u>Project owner* / Customer name</u>	<u>RYRT International's Role</u>	<u>Contract sum</u> RM'million	<u>Commencement date / Completion date</u>
Project Lahad Datu - Slope Protection	<ul style="list-style-type: none"> ▪ To construct and complete Project Lahad Datu namely site clearing, earthworks, concrete, drainage, slope protection, road and pavement, piling work, geotechnical monitoring works and any provisional sum items as instructed by the customer; ▪ To provide, install, dismantle and removal of all temporary structure, machine and equipment and scaffolding for successful completion of works; and ▪ To provide, maintain and remove all preliminaries items such as office equipment, office, stores, safety and all other items. 	Jabatan Kerja Raya Sabah / Civiltarget (Sabah) Sdn Bhd	Sub-contractor	2.20	December 2021 / February 2023 ⁽¹⁾

INFORMATION ON RYRT INTERNATIONAL (CONT'D)

(ii) RYRT International's ongoing projects:

<u>Projects</u>	<u>Scope of Work</u>	<u>Project owner* / Customer name</u>	<u>RYRT International's Role</u>	<u>Contract sum</u>	<u>Commencement date / Contractual completion date</u>	<u>Status of completion as at the LPD</u>
				RM'million		
Project Lahad Datu Phase 1	<ul style="list-style-type: none"> ▪ Subcontract work to supply labour, material, machinery and equipment for the construction and completion of civil works, mechanical and electrical works. ▪ Upgrading work of water supply system in Lahad Datu Phase 1. 	Jabatan Air Negeri Sabah / Pembinaan Urusmesra Sdn Bhd	Sub-contractor	278.49 ⁽³⁾	December 2020 / December 2023 ⁽²⁾	Approximately 73.9%
Project Jalan Semawang ke Tanjung Kuala Gum-Gum	<ul style="list-style-type: none"> ▪ To construct and complete "Projek Jalan Semawang Ke Tanjung Kuala Gum-Gum, Sandakan, Sabah" namely Environmental Protection and Enhancement, Traffic Management and Control, Demolition and Site Clearance, Earthworks, Geo-technical Works, Precast Reinforced Panel Wall & Pile Embankment, Drainage Work, Road and Pavings, Internal Bridge, Lighting, Access Road for Esscom, and any provisional sum items as may be instructed by Jabatan Kerja Raya Sabah; ▪ To provide, install, dismantle and remove of all temporary structure, machine and equipment, and scaffolding for successful completion of works; and ▪ To provide, maintain and remove all preliminary items such as vehicles, office equipment, office, stores and all other items. 	Jabatan Kerja Raya Sabah / Pembinaan Urusmesra Sdn Bhd	Sub-contractor	183.29	October 2022 / October 2025	Approximately 1.9%

INFORMATION ON RYRT INTERNATIONAL (CONT'D)

Notes:

- (1) *An extension of time for the contractual completion date was sought and obtained by RYRT International for Project Lahad Datu - Slope Protection from December 2022 to February 2023. As at the LPD, the Project Lahad Datu - Slope Protection has been completed and pending final certification by Civiltarget (Sabah) Sdn Bhd as the relevant local authority is reviewing the completeness of the documents for the issuance of certificate of practical completion.*
 - (2) *Notification from Pembinaan Urusmesra Sdn Bhd, being the customer of RYRT International, dated 10 February 2023, in relation to the extension of time for the Project Lahad Datu Phase 1 from June 2023 to December 2023.*
 - (3) *The contract value increased from RM260.00 million to RM278.49 million due to additional scope of work such as additional piping and reinforcement works by RYRT International in November 2022.*
- * *The project owner is not a director, substantial shareholder of RYRT International or persons connected with them.*

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INFORMATION ON RYRT INTERNATIONAL (CONT'D)

2. SHARE CAPITAL

As at the LPD, RYRT International has an issued share capital of RM2,000,100 comprising 2,000,100 RYRT International Shares.

3. DIRECTORS

As at the LPD, the directors of RYRT International and their indirect shareholdings in RYRT International are as follows:

Name	Designation	Nationality	Direct		Indirect	
			No. of shares	%	No. of shares	%
Soo Yu Chai	Director	Malaysian	-	-	⁽¹⁾ 600,030	30.00
Lee Chee Vui	Director	Malaysian	-	-	⁽¹⁾ 600,030	30.00
Lau Chee Wai	Director	Malaysian	-	-	-	-

Note:

(1) Deemed interested by virtue of their substantial shareholdings in RYRT Holdings pursuant to Section 8 of the Act.

4. SUBSTANTIAL SHAREHOLDER'S SHAREHOLDINGS

As at the LPD, the substantial shareholders' shareholdings in RYRT International are as follows:

Company Name	Place of Incorporation	Direct		Indirect	
		No. of shares	%	No. of shares	%
CGB	Malaysia	1,400,070	70.00	-	-
RYRT Holdings	Malaysia	600,030	30.00	-	-

5. SUBSIDIARIES AND ASSOCIATED COMPANY

As at the LPD, RYRT International does not have any subsidiary or associate company.

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INFORMATION ON RYRT INTERNATIONAL (CONT'D)

6. SUMMARY AND COMMENTARIES OF FINANCIAL INFORMATION

The summary of the financial information of RYRT International from the date of incorporation up to the 6-month for the FPE 28 February 2023 are as follows:

	Audited			Audited 6-month for the FPE 28 February 2023*
	Financial period from 18 June 2019 to 31 August 2020	FYE 31 August 2021	Restated for the FYE 31 August 2022	
	RM	RM	RM	RM
Revenue	-	11,677,626	127,797,720	48,082,333
(LBT) / PBT	(6,245)	(150,173)	16,231,845	12,344,290
(LAT) / PAT	(6,245)	(150,173)	8,371,330	8,868,512
Total equity / NA	(6,145)	1,843,682	10,215,012	19,083,524
No. of RYRT International Shares in issue	100	2,000,100	2,000,100	2,000,100
(Loss) / Earnings per RYRT International Share	(62.45)	(0.075)	4.19	4.43
Share capital	100	2,000,100	2,000,100	2,000,100
NA per RYRT International Share	(61.45)	0.92	5.11	9.54
Borrowings ⁽¹⁾	-	690,771	1,052,052	1,241,419
Current ratio ⁽²⁾ (times)	0.99	1.14	1.15	1.37
Gearing ratio ⁽³⁾ (times)	-	0.37	0.10	0.06

Notes:

- (1) The borrowings comprised of lease liabilities only.
- (2) Calculated based on the current assets divided by current liabilities. The current assets and current liabilities as at 31 August 2020, 31 August 2021, 31 August 2022 and 28 February 2023 are as follows:

	Audited as at 31 August		Restated as at 31 August 2022	Audited as at 28 February 2023
	2020	2021		
	RM	RM	RM	RM
Current assets	599,452	9,987,061	71,363,246	67,232,120
Current liabilities	605,597	8,730,626	61,793,700	48,971,774

- (3) Calculated based on borrowings divided by total equity.

* RYRT International changed its accounting policy to align with our Group's accounting policy. Hence, the financial results for the 6-month FPE 28 February 2022 is not disclosed for comparison.

Since the date of incorporation, for the past 2 audited financial years and restatement for the FYE 31 August 2022:

- (i) there were no exceptional and/or extraordinary items reported in the financial statements of RYRT International;
- (ii) there were no accounting policies adopted by RYRT International that are peculiar to RYRT International due to the nature of its business of the industry it operates in; and
- (iii) there was no audit qualification on the financial statements of RYRT International.

INFORMATION ON RYRT INTERNATIONAL (CONT'D)

The financial year end of RYRT International has been changed from 31 August to 31 December, covering the period from 1 September 2022 to 31 December 2022 to coincide with the financial year of our Group.

Commentaries on past performance:**Financial Period from 18 June 2019 to 31 August 2020**

RYRT International recorded a LAT of approximately RM0.01 million for the financial period from 18 June 2019 to 31 August 2020 mainly due to the cost incurred for auditor remuneration and secretarial and filing fees. There was no revenue generated by RYRT International for the first 14 months since its incorporation.

FYE 31 August 2021

For the FYE 31 August 2021, RYRT International recorded revenue of RM11.68 million mainly due to the secure of construction contracts from Project Lahad Datu Phase 1 which was commenced on 21 December 2020.

RYRT International recorded a LAT of RM0.15 million for the FYE 31 August 2021 mainly due to the cost of sales incurred for the contracts secured coupled with the higher administrative expenses such as staff cost, depreciation of plant and equipment and right-of-use assets, insurance premium and office expenses for the total amount of approximate RM1.20 million incurred during the FYE 31 August 2021.

FYE 31 August 2022

For the FYE 31 August 2022, RYRT International recorded an increase in revenue of RM116.12 million or 994.18% from RM11.68 million for the FYE 31 August 2021 to RM127.80 million for the FYE 31 August 2022 mainly due to higher contribution from Project Lahad Datu Phase 1 which was commenced on 21 December 2020, where the said project was 53% completed as at 31 August 2022.

RYRT International recorded a PAT of RM8.37 million for the FYE 31 August 2022 mainly due to the higher revenue recorded for the financial year, offset by higher cost of sales incurred for the contracts secured, higher administrative expenses such as staff cost, depreciation of plant and equipment and right-of-use assets amounting to RM3.14 million and higher income tax expenses of RM7.86 million mainly due to the higher progress billings made to which the tax computation was based on the construction revenue recognised during the year.

6-month FPE 28 February 2023

For the 6-month FPE 28 February 2023, RYRT International recorded revenue of RM48.08 million and PAT of RM8.87 million mainly due to the contribution from Project Lahad Datu Phase 1, which has achieved a completion of 70.4% as at 28 February 2023.

INFORMATION ON RYRT INTERNATIONAL (CONT'D)

7. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES**7.1 Material commitments**

As at the LPD, there are no material commitments incurred or known to be incurred by RYRT International that is likely to have an impact on RYRT International's profits or NA upon becoming enforceable.

7.2 Contingent liabilities

As at LPD, there are no contingent liabilities incurred or known to be incurred by RYRT International that is likely to have an impact on RYRT International's profits or NA upon becoming enforceable.

8. MATERIAL CONTRACTS

As at the LPD, RYRT International has not entered into any material contracts (not being contracts entered into in the ordinary course of business) within 2 years immediately preceding the date of this Circular.

9. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

As at the LPD, RYRT International is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the board of directors of RYRT International is not aware of any proceedings pending or threatened against RYRT International or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of RYRT International.

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AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28
FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31
AUGUST 2022



RYRT INTERNATIONAL SDN. BHD.
(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

FINANCIAL REPORT
For the financial period ended 28 February 2023

Crowe Malaysia PLT
Chartered Accountants
Member of Crowe Global

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

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**AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28
FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31
AUGUST 2022 (CONT'D)**

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

CORPORATE INFORMATION

BOARD OF DIRECTORS

SOO YU CHAI
LEE CHEE VUI
LAU CHEE WAI

COMPANY SECRETARY

TEO HUI LING (*MIA NO. 17988*)
SSM PC NO: 202008001267

REGISTERED OFFICE

No. 1-2-1B, 2nd Floor, Block B
Kolam Centre Phase II, Jalan Lintas
Luyang, 88300 Kota Kinabalu
Sabah, Malaysia

PRINCIPAL PLACE OF BUSINESS

Unit S-2-22, City Mall Kota Kinabalu
2nd Floor, Block E, Lorong City Mall
88300 Kota Kinabalu
Sabah, Malaysia

AUDITORS

CROWE MALAYSIA PLT
Chartered Accountants

PRINCIPAL BANKERS

MAYBANK ISLAMIC BERHAD
PUBLIC BANK BERHAD
RHB INVESTMENT BANK BERHAD

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the period 1 September 2022 to 28 February 2023.

PRINCIPAL ACTIVITY

The Company is principally engaged in the business of construction of buildings and other engineering projects. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Profit after taxation for the financial period	8,868,512
Attributable to:-	
Owners of the Company	8,868,512

DIVIDENDS

No dividend was recommended by the directors for the financial period.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial period:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

**AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28
FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31
AUGUST 2022 (CONT'D)**

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

DIRECTORS' REPORT

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 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 Company.

CURRENT ASSETS

Before the financial statements 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 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 Company misleading or inappropriate.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 which, in the opinion of the directors, will or may substantially 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 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 Company during the financial 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 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.

DIRECTORS

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

LAU CHEE WAI
LEE CHEE VUI
SOO YU CHAI

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

DIRECTORS' REPORT

DIRECTORS' INTERESTS

The directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company during the financial period.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as disclosed in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company 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 was 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.

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 20 to the financial statements.

INDEMNITY AND INSURANCE COST

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

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

DIRECTORS' REPORT

AUDITORS

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

The auditors' remuneration of the Company for the financial year was RM12,000.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 10 JUL 2023



Lau Chee Wai



Lee Chee Vui

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)
Registration No: 201901021133 (1330462-X)

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

We, Lau Chee Wai and Lee Chee Vui, being two of the directors of RYRT International Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 12 to 55 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 28 February 2023 and of its financial performance and cash flows for the financial year ended on that date.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS

DATED 10 JUL 2023



Lau Chee Wai



Lee Chee Vui

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

I, Lau Chee Wai, being the director primarily responsible for the financial management of RYRT International Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 12 to 55 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
Lau Chee Wai
at Kota Kinabalu in the State of Sabah
on this 10 JUL 2023

Before me




Lau Chee Wai

Page 7

Lot 4, 2nd Floor, Block A
Damai Point Commercial Centre
Off Jalan Damai
88300 Kota Kinabalu
Sabah, Malaysia

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)



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

Kota Kinabalu Office
Damai Plaza 3, 3rd Floor
C11, Jalan Damai 88300
P O Box 11003
88811 Kota Kinabalu, Malaysia

Main +6 088 233 733
Fax +6 088 238 955
Whatsapp +6 012 860 3733 (text only)
www.crowe.my

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)
Registration No: 201901021133 (1330462-X)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of RYRT International Sdn. Bhd., which comprise the statements of financial position as at 28 February 2023 of the Company, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows of the Company for the financial period, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 55.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 28 February 2023, and of its financial performance and its cash flows for the financial period 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 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 information included in the annual report, but does not include the financial statements of the Company and our auditors' report thereon.

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

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28
FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31
AUGUST 2022 (CONT'D)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RYRT INTERNATIONAL SDN. BHD.**

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

(Cont'd)

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)
Registration No: 201901021133 (1330462-X)

(Cont'd)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28
FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31
AUGUST 2022 (CONT'D)



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
RYRT INTERNATIONAL SDN. BHD.**

(Incorporated in Malaysia)
Registration No: 201901021133 (1330462-X)

(Cont'd)

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.

A handwritten signature in black ink, appearing to read "Crowe Malaysia".

CROWE MALAYSIA PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kota Kinabalu

Dated **10 JUL 2023**

A handwritten signature in black ink, appearing to read "Michael Y.S. Tong".

MICHAEL Y.S. TONG, JP
00596/03/2025 J
Chartered Accountant

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

STATEMENT OF FINANCIAL POSITION As At 28 FEBRUARY 2023

	Note	2023 RM	2022 RM (Restated)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,681,486	1,428,427
Right-of-use assets	6	113,999	38,223
		1,795,485	1,466,650
CURRENT ASSETS			
Trade receivables	7	59,134,844	54,823,649
Other receivables, deposits and prepayments	8	7,875,107	12,856,213
Contract assets	9	-	19,813
Short-term investments	10	35,717	130,342
Cash and bank balances		186,452	3,533,229
		67,232,120	71,363,246
		69,027,605	72,829,896
EQUITY AND LIABILITIES			
EQUITY			
Share capital	11	2,000,100	2,000,100
Retained profits		17,083,424	8,214,912
TOTAL EQUITY		19,083,524	10,215,012
NON-CURRENT LIABILITIES			
Lease liabilities	12	972,307	821,184
CURRENT LIABILITIES			
Trade payables	13	20,641,786	34,103,890
Other payables and accruals	14	17,157,377	19,784,045
Amounts owing to directors	15	780,382	724,667
Lease liabilities	12	266,221	230,868
Taxation		10,126,008	6,950,230
		48,971,774	61,793,700
TOTAL LIABILITIES		49,944,081	62,614,884
TOTAL EQUITY AND LIABILITIES		69,027,605	72,829,896

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023**

		1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM (Restated)
	Note		
REVENUE	16	48,082,333	127,797,720
COST OF SALES		<u>(34,642,565)</u>	<u>(108,481,810)</u>
GROSS PROFIT		13,439,768	19,315,910
ADMINISTRATIVE EXPENSES		(1,213,117)	(3,136,589)
OTHER INCOME		146,769	84,708
FINANCE COSTS		<u>(29,130)</u>	<u>(32,184)</u>
PROFIT BEFORE TAXATION	17	12,344,290	16,231,845
INCOME TAX EXPENSE	18	<u>(3,475,778)</u>	<u>(7,860,515)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>8,868,512</u>	<u>8,371,330</u>
PROFIT AFTER TAXATION			
ATTRIBUTABLE TO:			
Owners of the Company		<u>8,868,512</u>	<u>8,371,330</u>

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023**

	Note	Share Capital RM	Retained Profits RM	Total Equity RM
Balance as at 31.8.2021/1.9.2021		2,000,100	(156,418)	1,843,682
Profit for the financial period		-	22,846,703	22,846,703
As previously reported		2,000,100	22,690,285	24,690,385
Prior year adjustment	22	-	(14,475,373)	(14,475,373)
As restated		2,000,100	8,214,912	10,215,012
Profit for the financial period		-	8,868,512	8,868,512
Balance as at 28.2.2023		2,000,100	17,083,424	19,083,524

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2022**

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM (Restated)
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	12,344,290	16,231,845
Adjustments for:		
Depreciation of plant and equipment	204,394	252,158
Depreciation of right-of-use assets	42,197	8,993
Interest expenses	29,130	32,184
Interest income	(1,582)	(10,455)
Loss on disposal of investment in share	94,750	886,562
(Gain)/Loss on disposal of property, plant and equipment	(78,895)	56,589
Operating profit before working capital changes	12,634,284	17,457,876
Decrease in inventories	-	195,488
Decrease in contract asset	19,813	903,705
Decrease/(Increase) in receivables	669,911	(61,508,610)
(Decrease)/Increase in payables	(16,088,772)	46,252,039
Increase/(Decrease) in amounts owing to directors	55,715	(225,400)
Cash generated (for)/from operations	(2,709,049)	3,075,098
Tax paid	(300,000)	(877,285)
Interest paid	(29,130)	(32,184)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	(3,038,179)	2,165,629

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2022**

		1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM (Restated)
CASH FLOWS FOR INVESTING ACTIVITIES			
Acquisition of plant and equipment	19(a)	(653,194)	(89,632)
Addition to right-of-use assets	19(a)	(117,973)	(561,403)
Interest received		1,582	10,455
Proceed from disposal of property and equipment		274,636	-
NET CASH FOR INVESTING ACTIVITIES		(494,949)	(640,580)
NET CASH FLOWS FROM FINANCING ACTIVITIES			
Loss on disposal of investment of share		(94,750)	(886,562)
Drawdown of lease liability		379,338	504,000
Repayment of lease liabilities	19(b)	(192,862)	(142,719)
Decrease in short-term investment		94,625	2,501,020
NET CASH FROM FINANCING ACTIVITIES		186,351	1,975,739
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,346,777)	3,500,788
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		3,533,229	32,441
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	19(c)	186,452	3,533,229

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

RYRT INTERNATIONAL SDN. BHD.

(Incorporated in Malaysia)

Registration No: 201901021133 (1330462-X)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023**

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	:	No. 1-2-1B, 2nd Floor, Block B Kolam Centre Phase II, Jalan Lintas Luyang, 88300 Kota Kinabalu Sabah, Malaysia
Principal place of business	:	Unit S-2-22, City Mall Kota Kinabalu 2nd Floor, Block E, Lorong City Mall 88300 Kota Kinabalu Sabah, Malaysia

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated **10 JUL 2023**

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of construction of buildings and other engineering projects. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company 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 ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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**NOTES TO THE FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Company has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including the Consequential Amendments)

Amendments to MFRS 3: Reference to the Conceptual Framework

Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use

Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract

Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

- 3.2 The Company has not applied in advance the following accounting standard(s) and/or interpretation(s) (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 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendment to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023

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**NOTES TO THE FINANCIAL STATEMENTS
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3. BASIS OF PREPARATION (CONT'D)

3.2 The Company has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101: Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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:-

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(a) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property and equipment as at the reporting date is disclosed in Note 5 to the financial statements.

(b) Impairment of Trade Receivables

The Company uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Company 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. The carrying amount of trade receivables as at the reporting date is disclosed in Note 7 to the financial statements.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(c) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Company to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amount of other receivables as at the reporting date are disclosed in Note 8 to the financial statements.

(d) Revenue Recognition for Construction Contracts

The Company recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction 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 and the work of specialists.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax liabilities as at the reporting date is RM10,126,008 (2021 – RM6,950,230).

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

(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.

4.3 FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the statements of financial position when the Company 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 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 Company 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

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 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.

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety 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 rate 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).

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Debt Instruments (Cont'd)

(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.

(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 fair value changes do not include interest or dividend income.

The Company 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 Company 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments (Cont'd)

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

(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 (excluding interest expense) 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 form an integral part of the effective interest rate, transaction costs and other premiums or discounts), through the expected life of the financial liability or a shorter period (where appropriate).

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**4.3 FINANCIAL INSTRUMENTS (CONT'D)****(c) Equity Instruments**

Equity instruments classified as equity are measured initially at cost and are not remeasured subsequently.

(i) Ordinary Shares

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.

(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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and 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 intended use.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land and buildings, 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 Company 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 property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated. Depreciation on other property, plant and 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 depreciable 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:-

Project site equipment	10%
Furniture and fixtures	10%
Office equipment	10%
Computer software	20%
Motor vehicles	20%
Renovation	10%
Signboard and label	10%

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 property, plant and equipment. Any changes are accounted for as a change in estimate.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

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

An item of property, plant and 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. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset.

4.5 LEASES

The Company assesses whether a contract is or contains a lease, at the inception of the contract. The Company 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 Company 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 Company 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 incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjusted 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 property, plant and equipment.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 LEASES (CONT'D)

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 Company 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.

4.6 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

4.7 CASH AND CASH EQUIVALENTS

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.

4.8 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 and trade receivables.

AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 IMPAIRMENT (CONT'D)

(a) Impairment of Financial Assets (Cont'd)

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company 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 Company 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 Company'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 Company 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 Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company 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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 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 Company 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.

4.9 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The discount rate shall be 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 interest expense in profit or loss.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.10 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 Company.

(b) Defined Contribution Plans

The Company'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 Company has no further liability in respect of the defined contribution plans.

4.11 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are the 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 (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax is 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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 INCOME TAXES (CONT'D)

(b) Deferred Tax (Cont'd)

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. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

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.

4.12 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 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:-

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 FAIR VALUE MEASUREMENTS (CONT'D)

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.

4.13 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Company 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 Company 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.

The Company transfers control of a good or service at a point in time unless one of the following overtimecriteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Company performs.
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Company'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.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

(a) Construction Services

Revenue from construction services is recognised over time in the period in which the services are rendered using the output by reference to the construction progress based on the physical proportion of construction work certified by professional consultants. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. 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.

A receivable is recognised when the construction 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 construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

4.14 OTHER OPERATING INCOME

(a) Dividend Income

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

(b) Interest Income

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

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5. PROPERTY, PLANT AND EQUIPMENT

	At 1.9.2022 RM	Additions (Note 19) RM	Disposal RM	Depreciation Charges (Note 17) RM	At 28.2.2023 RM
<i>Carrying Amount</i>					
Project site equipment	6,033	163,046	-	(4,178)	164,901
Furniture and fixtures	30,043	12,000	-	(2,259)	39,784
Office equipment	98,394	-	-	(7,061)	91,333
Computer software	4,300	-	-	(550)	3,750
Motor vehicles	1,265,775	478,148	(195,741)	(189,304)	1,358,878
Renovation	18,782	-	-	(1,042)	17,740
Signboard and label	5,100	-	-	-	5,100
	1,428,427	653,194	(195,741)	(204,394)	1,681,486

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2023			
Project site equipment	170,144	(5,243)	164,901
Furniture and fixtures	45,827	(6,043)	39,784
Office equipment	106,865	(15,532)	91,333
Computer software	5,500	(1,750)	3,750
Motor vehicles	1,889,262	(530,384)	1,358,878
Renovation	20,850	(3,110)	17,740
Signboard and label	5,100	-	5,100
	2,243,548	(562,062)	1,681,486

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**NOTES TO THE FINANCIAL STATEMENTS
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5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2022			
Project site equipment	7,098	(1,065)	6,033
Furniture and fixtures	33,827	(3,784)	30,043
Office equipment	106,865	(8,471)	98,394
Computer software	5,500	(1,200)	4,300
Motor vehicles	1,613,604	(347,829)	1,265,775
Renovation	20,850	(2,068)	18,782
Signboard and label	5,100	-	5,100
	<u>1,792,844</u>	<u>(364,417)</u>	<u>1,428,427</u>

6. RIGHT-OF USE ASSETS

	At 1.9.2022 RM	Additions (Note 19) RM	Depreciation Charges (Note 17) RM	At 28.2.2023 RM
2023				
Office buildings	38,223	117,973	(42,197)	113,999

The Company has leased its motor vehicles under hire purchase arrangements. The Company has an option to purchase the asset at the expiry of the lease period at an insignificant amount. The lease terms range from 5 to 9 years (2022: 5 to 9 years).

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7. TRADE RECEIVABLES

	2023 RM	2022 RM
Third parties	<u>59,134,844</u>	<u>54,823,649</u>

Included in the trade receivables are retention sums totalling RM13,094,650 (2022: RM13,033,160).

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023 RM	2022 RM
Other receivables:-		
Third parties	<u>7,796,232</u>	<u>12,778,982</u>
Related parties	<u>6,003</u>	<u>6,003</u>
	7,802,235	12,784,985
Deposits	68,188	45,870
Prepayments	4,684	25,358
	<u>7,875,107</u>	<u>12,856,213</u>

The amount owing by related parties represents loan and advance receivable from companies in which certain directors of the Company have controlling interests. The amount is unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

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9. CONTRACT ASSETS

	2023 RM	2022 RM (Restated)
Contract assets relating to construction contract	-	19,813

The contract assets primarily relate to the Company's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Company issues billing in the manner as established in the contracts with customers.

The changes to contract assets during the financial year are summarised below:-

	RM
At 1 September 2021	-
Billings to customers during the financial year (transferred to trade receivables)	19,813
At 31 August 2022	19,813
Revenue recognised in profit or loss during the financial year	(19,813)
At 28 February 2023	-

10. SHORT-TERM INVESTMENTS

	2023 RM	2022 RM
Central depository system at fair value	35,717	130,342

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11. SHARE CAPITAL

	2023	
	Number of Shares	Amount RM
Issued and Fully Paid-Up		
At 1 September 2022/28 February 2023	2,000,100	2,000,100

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.

12. LEASE LIABILITIES

	2023 RM	2022 RM
At 1 September	1,052,052	690,771
Additions (Note 19(a))	379,338	504,000
Interest expense recognised in profit or loss (Note 17)	29,130	32,184
Repayment of principal (Note 19(b))	(192,862)	(142,719)
Repayment of interest expense (Note 19(b))	(29,130)	(32,184)
At 28 February	<u>1,238,528</u>	<u>1,052,052</u>
Analysed by:		
Current liabilities	266,221	230,868
Non-current liabilities	972,307	821,184
	<u>1,238,528</u>	<u>1,052,052</u>

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13. TRADE PAYABLES

	2023 RM	2022 RM
Third parties	<u>20,641,786</u>	<u>34,103,890</u>

Included in the trade payables are retention sum payables totalling RM6,673,539 (2022: RM3,689,299).

14. OTHER PAYABLES AND ACCRUALS

	2023 RM	2022 RM (Restated)
Other payables:-		
Third parties	12,819,447	15,207,372
Related parties	<u>3,830,944</u>	<u>4,525,104</u>
	16,650,391	19,732,476
Accruals	<u>506,986</u>	<u>51,569</u>
	<u>17,157,377</u>	<u>19,784,045</u>

Included in the other payables are advances given by related party and third parties amounting to RM3,830,944 (2022: RM4,525,104) and RM3,609,216 (2022: RM713,031) respectively. The advances owing to related parties are unsecured, interest free and repayable on demand. The advances owing to be settled in cash.

15. AMOUNTS OWING TO DIRECTORS

Amounts owing to directors are unsecured, interest free and repayable on demand. The amounts owing are to be settled in cash.

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16. REVENUE

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Revenue from Contracts with Customers		
<u>Recognised over time</u>		
Water supply project	46,385,111	127,290,676
Other projects	1,697,222	507,044
	<u>48,082,333</u>	<u>127,797,720</u>

17. PROFIT BEFORE TAXATION

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Profit before taxation is arrived at after charging:		
Auditors' remuneration		
- Current year	73,951	20,000
Depreciation of plant and equipment (Note 5)	204,394	252,158
Depreciation of right-of-use assets (Note 6)	42,197	8,993
Directors' remuneration (Note 20)	425,098	736,031
Interest expense on lease liabilities (Note 12)	29,130	32,184
Rental of equipments	1,314	1,089
Rental of motor vehicles, office and staff quarters	11,500	55,100
Staff costs	151,138	384,573
	<u>1,582</u>	<u>10,455</u>
And crediting:		
Interest income	1,582	10,455

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18. INCOME TAX EXPENSE

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Current tax expense	<u>3,475,778</u>	<u>7,860,515</u>

The corporate tax rate of the Company on the first RM600,000 (2022: RM600,000) of chargeable income is 17% (2022: 17%). The tax rate applicable to the balance of the chargeable is 24% (2022: 24%).

19. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of plant and equipment for the addition of right-of-use assets is as follows:

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Plant and equipment		
Cost of plant and equipment purchased (Note 5)	<u>653,194</u>	<u>89,632</u>
Right-of-use assets		
Cost of right-of-use assets acquired (Note 5&6)	596,121	561,403
Less: Additions of new lease liabilities (Note 12)	<u>379,338</u>	<u>504,000</u>
	<u>216,783</u>	<u>57,403</u>

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19. CASH FLOW INFORMATION (CONT'D)

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

	Lease Liabilities RM
At 1 September 2022	1,052,052
<u>Changes in Financing Cash Flows</u>	
Repayment of principal (Note 12)	(192,862)
Repayment of interests (Note 12)	(29,130)
<u>Non-cash Changes</u>	
Acquisition of new leases (Note 12)	379,338
Interest expense recognised in profit or loss (Note 17)	29,130
At 28 February 2023	<u>1,238,528</u>

(c) The cash and cash equivalents comprise the following:

	2023 RM	2022 RM
Cash at banks	181,259	3,523,129
Cash in hand	5,193	10,100
	<u>186,452</u>	<u>3,533,229</u>

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20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Company include directors of the Company.

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

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
<u>Directors of the Company</u>		
- EIS contribution	178	229
- EPF contribution	45,360	73,800
- SOCSO contribution	1,560	2,002
- Salaries and bonus	378,000	660,000
	<u>425,098</u>	<u>736,031</u>

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21. FINANCIAL INSTRUMENTS

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its market (including foreign currency risk, interest risk and equity price risk), credit risk and liquidity risk.

21.1 Financial Risk Management Policies

The policies in respect of the major areas of treasury activity are as follows:

(a) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's fixed rate borrowings is not exposed to interest rate risk as the interest-bearing financial instruments carry fixed interest rate and are measured at amortised cost. As such, sensitivity analysis is not disclosed.

Interest Rate Risk Sensitivity Analysis

The Company does not have any floating rate borrowings and hence, no sensitivity analysis is presented.

(iii) Equity Price Risk

The Company does not have quoted investments and hence is not exposed to equity price risk.

Any reasonably possible change in the prices of quoted investments at the end of the reporting period does not have a material impact on the profit after taxation and other comprehensive income of the Company and hence, no sensitivity analysis is presented.

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Company 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, the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to related parties. The Company monitors the results of these related parties regularly and repayments made by these companies.

(i) Credit Risk Concentration Profile

The Company does not have any major concentration of credit risk related to any individual customer or counterparty.

(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 Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

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

The gross carrying amounts of 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 the fact that they are still subject to enforcement activities.

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Trade Receivables

The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Company's customers.

The information about the exposure to credit risk and the loss allowances calculated under MFRS 9 for both trade receivables and contract assets are summarised below:

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2023				
Current (not past due)	827,411	-	-	827,411
1 to 30 days past due	1,364,696	-	-	1,364,696
31 to 60 days past due	5,068,652	-	-	5,068,652
61 to 90 days past due	5,626,679	-	-	5,626,679
More than 91 days	33,152,756	-	-	33,152,756
	46,040,194	-	-	46,040,194

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

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

Trade Receivables (Cont'd)

	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Amount RM
2022				
Current (not past due)	9,062,722	-	-	9,062,722
1 to 30 days past due	12,230,707	-	-	12,230,707
31 to 60 days past due	13,093,608	-	-	13,093,608
61 to 90 days past due	7,403,452	-	-	7,403,452
More than 91 days	-	-	-	-
	41,790,489	-	-	41,790,489

Other Receivables

The Company applies the 3-stage general approach to measuring expected credit losses for its other receivables. Under this approach, the Company assesses whether there is a significant increase in credit risk on the receivables by comparing their risk of default as at the reporting date with the risk of default as at the date of initial recognition based on available reasonable and supportable forward-looking information.

The Company considers a receivable is credit impaired when the receivable is in significant financial difficulty, for instances, the receivable is in breach of financial covenants or insolvent. Receivables that are credit impaired are assessed individually while other receivables are assessed on a collective basis.

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21. FINANCIAL INSTRUMENTS (CONT'D)**21.1 Financial Risk Management Policies (Cont'd)****(b) Credit Risk (Cont'd)****(iii) Assessment of Impairment Losses (Cont'd)***Cash and Bank Balances*

The Company considers these banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Company 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 Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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):

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	More than 1 Year RM
2023					
Lease liabilities	2.16% - 3.31%	1,238,528	1,372,185	266,221	972,307
Trade payables	-	20,641,786	20,641,786	-	-
Other payables and accruals	-	17,157,377	17,157,377	-	-
Amounts owing to directors	-	780,382	780,382	-	-
		39,818,073	39,951,730	266,221	972,307
2022					
Lease liabilities	2.23% - 3.31%	1,052,053	1,179,020	230,868	821,184
Trade payables	-	34,103,890	34,103,890	-	-
Other payables and accruals	-	19,784,045	19,784,045	-	-
Amounts owing to directors	-	724,668	724,668	-	-
		55,664,656	55,791,623	230,868	821,184

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.2 Capital Risk Management

The Company manages its capital to ensure that entities within the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Company 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 Company manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Company at the end of the reporting period was as follows:

	2023 RM	2022 RM
Lease liabilities	1,241,419	1,052,052
Less: cash and cash equivalents (Note 19(c))	186,452	3,533,229
Net debt	<u>1,054,967</u>	<u>(2,481,177)</u>
Total equity	<u>19,083,524</u>	<u>10,215,012</u>
Debt-to-equity ratio	<u>0.06</u>	<u>(0.24)</u>

There was no change in the Company's approach to capital management during the financial year.

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21. FINANCIAL INSTRUMENTS (CONT'D)

21.3 Classification Of Financial Instruments

	2023 RM	2022 RM
Financial Assets		
<u>Fair Value Through Profit or Loss</u>		
Short-term investments (Note 10)	35,717	130,342
<u>Amortised Cost</u>		
Trade receivables (Note 7)	59,134,844	54,823,649
Other receivables (Note 8)	7,802,235	12,784,985
Cash and bank balances (Note 19(c))	186,452	3,533,229
	<u>67,123,531</u>	<u>71,141,863</u>
	2023 RM	2022 RM
Financial Liabilities		
<u>Amortised Cost</u>		
Trade payables (Note 13)	20,641,786	34,103,890
Other payables and accruals (Note 14)	17,157,377	19,784,045
Lease liabilities (Note 12)	1,238,528	1,052,052
Amounts owing to directors (Note 15)	780,382	724,668
	<u>39,818,073</u>	<u>55,664,655</u>

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22. PRIOR YEAR ADJUSTMENT AND COMPARATIVE FIGURE

The Company has changed its accounting policy on its revenue recognition to be consistent with its ultimate holding company which has resulted to a prior year adjustment to the profit after tax for the financial year ended 31 August 2022 from RM22,846,703 to RM8,371,330.

	As Restated RM	As Previously Reported RM
<i>Statements of Financial Position (Extract):</i>		
Contract asset	19,813	-
Other payables, accruals and deposits received	19,784,045	5,892,955
<i>Statement of Comprehensive Income (Extract):</i>		
Revenue	127,797,720	142,273,093
<i>Statement of Changes in Equity (Extract):</i>		
Retained profits	8,214,912	22,690,285

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DETAILED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR 28 FEBRUARY 2023

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM (Restated)
<u>WATER SUPPLY PROJECT</u>		
REVENUE	46,385,111	127,290,676
Less: COST OF SALES		
Opening inventories	-	195,488
Purchases	-	17,467,466
Sub-contractors	33,340,456	90,439,309
	33,340,456	108,102,263
Less: Closing inventories	-	-
	33,340,456	108,102,263
GROSS PROFIT	13,044,655	19,188,413
<u>OTHER PROJECTS</u>		
REVENUE	1,697,222	507,044
Less: COST OF SALES	1,302,109	379,547
GROSS PROFIT	395,113	127,497
NET GROSS PROFIT	13,439,768	19,315,910
OTHER INCOME		
Gain on disposal of property, plant and equipment	78,895	-
Interest income	1,582	10,455
Sundry income	66,292	74,253
	146,769	84,708
Less: FINANCE COST		
Lease liabilities interest	29,130	32,184
Less: ADMINISTRATIVE EXPENSES (SCHEDULE A)	1,213,117	3,136,589
PROFIT BEFORE TAXATION	12,344,290	16,231,845

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AUDITED FINANCIAL STATEMENTS OF RYRT INTERNATIONAL FOR THE 6-MONTH FPE 28 FEBRUARY 2023 TOGETHER WITH THE RESTATED FINANCIAL RESULTS FOR THE FYE 31 AUGUST 2022 (CONT'D)

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**ADMINISTRATIVE EXPENSES
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023** **SCHEDULE A**

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Advertisement	4,611	18,001
Auditors' remuneration		
- Current year	73,951	20,000
Bank charges and commission	1,346	8,816
Bank investment charges	-	305,143
Car wash	45	15
Carriage outwards	5,750	-
Company search fee	77	152
Compensation	609	1,508
Contractor all risk	13,994	38,271
Depreciation of plant and equipment	204,394	252,158
Depreciation of right-of-use assets	42,197	8,993
Directors' remuneration:		
- Bonus	-	45,000
- Employment Insurance System contributions	178	229
- EPF contribution	45,360	73,800
- SOCSO contribution	1,560	2,002
- Salaries	378,000	615,000
Donation	2,517	-
Gifts	-	1,429
Insurance premium	29,370	11,536
Janitorial expense & cleaning expense	1,229	1,153
License fee and stamp duty	1,506	(4,367)
Loss on disposal of:-		
- investment in shares	94,750	886,562
- property, plant and equipment	-	56,589
Meals and entertainment to suppliers and potential clients	23,733	50,140
Meals, entertainment and refreshment to staffs	1,341	12,929
Medical expenses	467	7,867
Motor vehicles running expenses	9,650	17,905
Carried forward	936,635	2,430,831

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**ADMINISTRATIVE EXPENSES
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023** **SCHEDULE A**

	1.9.2022 to 28.2.2023 RM	1.9.2021 to 31.8.2022 RM
Brought forward	936,635	2,430,831
Pantry supplies and expenses	3,967	3,780
Penalty and fines	100	101
Parking fee	477	107
Postage, courier and despatch service charges	397	1,422
Printing and photocopying charges	6,975	9,256
Processing fee and runner service fee	650	3,395
Professional fee	3,238	12,174
Project tender fee	-	1,000
Rental of equipments	1,314	1,089
Rental of motor vehicles, office and staff quarters	11,500	55,100
Repairs and maintenance	2,017	12,178
Small asset	1,249	434
Staff costs:		
- Bonus	-	37,500
- Employment Insurance System Contributions	174	267
- EPF contribution	11,492	30,927
- SOCSO contribution	1,522	2,337
- Salaries and allowances	137,950	351,042
Staff welfare	22,828	1,120
Stationery	8,715	6,803
Sundry expenses	-	23,797
Travelling expenses	29,249	102,808
Upkeep of motor vehicles	22,329	33,579
Utilities	10,339	15,542
	<u>1,213,117</u>	<u>3,136,589</u>

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