

CREATOR STUDIO SDN. BHD.
Registration No. 201801016216 (1278232-H)
(Incorporated in Malaysia)

*Reports and financial statements
for the financial year ended 31 August 2020*

PGC & ASSOCIATES (AF 2033)
Chartered Accountants

Registration No. 201801016216 (1278232-H)

CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

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CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 August 2020.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of production in motion picture, video and television programme production activities and related services. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Total comprehensive income for the financial year	<u>179,595</u>

DIVIDENDS

No dividends have been paid, declared or proposed since the end of the previous financial period. The Directors do not recommend that a dividend to be paid in respect of the current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

SHARE AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS OF THE COMPANY

The Directors of the Company in office at any time during the financial year or since the end of the financial period are:

Tan Jia Tong
Hong Chee Yong (Resigned on 02.09.2020)

DIRECTORS' BENEFITS

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

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors shown 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 or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

DIRECTORS' INTEREST IN SHARES

According to the register of Directors' shareholding under section 59 of the Companies Act, 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company are as follows:

	Number of ordinary shares			As at 31.08.2020
	As at 01.09.2019	Bought	Sold	
<u>Direct Interest</u>				
Tan Jia Tong	50	-	-	50
Hong Chee Yong	50	-	-	50

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Company during the financial year are as follows:

	2020 RM
Remunerations	204,000
Contribution to defined contribution plan	22,080
EIS and Socso contribution	1,770
	<u>227,850</u>

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

- a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and
- b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the Directors are not aware of any circumstances:

- a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or
- b) which would render the values attributed to current assets in the financial statements of the Company misleading; or
- c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
- d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- a) any charge on the assets of the Company which has arisen since the end of the financial year and secures the liability 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 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 as and when they fall due.

In the opinion of the directors:

- a) the results of the operations of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.
- b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Company for the financial period in which this report is made.

AUDITORS' REMUNERATIONS

Total amounts paid to or receivable by the auditors as remunerations for their services as auditors are as follows:

	2020
	RM
Statutory audit	<u>3,800</u>

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AUDITORS

The retiring auditors, Messrs. PGC & Associates, have indicated their willingness to be re-appointed.

On behalf of the Board of Directors
The Sole Director

A handwritten signature in black ink, appearing to read 'Tan Jia Tong', with a small 'x' mark to its left.

Tan Jia Tong
Director

Kuala Lumpur

Dated: 02 February 2021


Registration No. 201801016216 (1278232-H)

CREATOR STUDIO SDN. BHD.
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STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act, 2016

The directors of Creator Studio Sdn. Bhd. state that, in their opinion, the financial statements of the Company set out on pages 9 to 24 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 August 2020 and of its financial performance and cash flows of the Company for the financial year ended 31 August 2020.

On behalf of the Board of Directors
The Sole Director

X 

Tan Jia Tong
Director

Kuala Lumpur

Dated: 02 February 2021

STATUTORY DECLARATION
Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Tan Jia Tong, the Director primarily responsible for the financial management of Creator Studio Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 9 to 24 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed, Tan Jia Tong at Kuala
Lumpur on 02 February 2021

X 

Tan Jia Tong

Before me,



COMMISSIONER FOR OATHS

NO. 19-M, JALAN MANIS 3,
TAMAN SEGAR,
56100 CHERAS, KUALA LUMPUR.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CREATOR STUDIO SDN. BHD.
REGISTRATION NO.: 201801016216 (1278232-H)
(INCORPORATED IN MALAYSIA)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Creator Studio Sdn. Bhd., which comprise the statement of financial position as at 31 August 2020, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 24.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 August 2020, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CREATOR STUDIO SDN. BHD.
REGISTRATION NO.: 201801016216 (1278232-H)
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Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CREATOR STUDIO SDN. BHD.**

REGISTRATION NO.: 201801016216 (1278232-H)

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


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

Other Matters

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


PGC & ASSOCIATES (AF 2033)
Chartered Accountants

Selangor
Date : 02 February 2021


POK GEOK CHOO
2879/11/21 (J)
Chartered Accountant

CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2020

	Note	2020 RM	2019 RM
NON-CURRENT ASSETS			
Plant and equipment	3	126,279	36,238
Intangible assets	4	<u>1,480</u>	<u>-</u>
		<u>127,759</u>	<u>36,238</u>
CURRENT ASSETS			
Trade receivables		9,000	204,800
Other receivables, deposits and prepayments	5	44,577	14,000
Cash and bank balances	6	<u>1,819,586</u>	<u>150,841</u>
		<u>1,873,163</u>	<u>369,641</u>
TOTAL ASSETS		<u><u>2,000,922</u></u>	<u><u>405,879</u></u>
EQUITY			
Share capital	7	100	100
Retained earnings	8	<u>340,893</u>	<u>161,298</u>
TOTAL EQUITY		<u><u>340,993</u></u>	<u><u>161,398</u></u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	9	<u>5,212</u>	<u>-</u>
		<u>5,212</u>	<u>-</u>
CURRENT LIABILITIES			
Trade payables		2,281	-
Other payables and accruals	10	1,302,718	59,473
Amount due to a director	11	307,116	151,890
Current tax liabilities		<u>42,602</u>	<u>33,118</u>
		<u>1,654,717</u>	<u>244,481</u>
TOTAL LIABILITIES		<u><u>1,659,929</u></u>	<u><u>244,481</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,000,922</u></u>	<u><u>405,879</u></u>

The accompanying notes form an integral part of the financial statements.

CREATOR STUDIO SDN. BHD.
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020**

	Note	01.09.2019 to 31.08.2020 RM	26.04.2018 to 31.08.2019 RM
Revenue	2.10	1,769,169	1,023,840
Cost of sales		(262,898)	(88,334)
Gross profit		<u>1,506,271</u>	<u>935,506</u>
Other operating income		29,490	-
Administrative and operating expenses		(1,308,075)	(741,090)
Profit from operations		<u>227,686</u>	<u>194,416</u>
Finance costs		-	-
Profit before taxation	12	<u>227,686</u>	<u>194,416</u>
Income tax expenses	13	(48,091)	(33,118)
Profit for the financial year/period		<u>179,595</u>	<u>161,298</u>
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year/period		<u><u>179,595</u></u>	<u><u>161,298</u></u>

The accompanying notes form an integral part of the financial statements.

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020**

	Share capital RM	Retained Earnings RM	Total RM
As at 26 April 2018 (Date of Incorporation)	100	-	100
Total comprehensive income for the financial period	-	161,298	161,298
As at 31 August 2019	<u>100</u>	<u>161,298</u>	<u>161,398</u>
Total comprehensive income for the financial year	-	179,595	179,595
As at 31 August 2020	<u><u>100</u></u>	<u><u>340,893</u></u>	<u><u>340,993</u></u>

The accompanying notes form an integral part of the financial statements.

CREATOR STUDIO SDN. BHD.
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020

	01.09.2019 to 31.08.2020	26.04.2018 to 31.08.2019
	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	227,686	194,416
Adjustments for:		
Depreciation	<u>34,205</u>	<u>9,060</u>
Operating profit before working capital changes	261,891	203,476
Changes in working capital		
(Increase)/Decrease in trade receivables	195,800	(204,800)
Increase in other receivables, deposits and prepayments	(30,577)	(14,000)
Increase in trade payables	2,281	-
Increase in other payables and accruals	1,243,245	59,473
Increase in amount due to a director	<u>155,226</u>	<u>151,890</u>
Cash generated from operations	1,827,866	196,039
Income tax paid	<u>(33,396)</u>	<u>-</u>
Net cash generated from operating activities	<u>1,794,470</u>	<u>196,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Issuance of shares	-	100
Purchase of plant and equipment	<u>(125,725)</u>	<u>(45,298)</u>
Net cash used in investing activities	<u>(125,725)</u>	<u>(45,198)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
	-	-
Net increase in cash and cash equivalents	1,668,745	150,841
Cash and cash equivalents at beginning of the financial year/period	150,841	-
Cash and cash equivalents at end of the financial year/period	<u>1,819,586</u>	<u>150,841</u>
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	<u>1,819,586</u>	<u>150,841</u>

The accompanying notes form an integral part of the financial statements.

CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020**

1 GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in Malaysia.

The registered office is located at C-2-5, Medan Connaught, Jalan 3/144A, 56000 Kuala Lumpur.

The principal place of business is located at 25, Jalan Suadamai 11/5, Taman Primaya, Bandar Tun Hussein Onn, Batu 9, 43200 Cheras, Selangor.

The principal activities of the Company are that of production in motion picture, video and television programme production activities and related services. There have been no significant changes in the nature of these activities during the financial year.

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

2 SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 2016.

The financial statements have been prepared on the historical cost basis.

The principal accounting policies adopted are set out below:

2.1 PLANT AND EQUIPMENT

The cost of an item of plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. After recognition as an asset, an item of plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	<u>Rate %</u>
Equipment	20%
Computers	20%

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a change in factors affecting the residual value, useful life or asset's depreciation method since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and the changes are accounted for as a change in an accounting estimate and adjusted prospectively.

2.1 PLANT AND EQUIPMENT (CONTINUED)

The carrying amounts of items of plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

2.2 IDENTIFIABLE INTANGIBLE ASSETS

Acquired identifiable intangible assets of land-use rights, operating systems and software, licenses and other intellectual property, including those acquired in a business combination, are recognised as an asset and initially measured at cost, which is the fair value of the consideration paid, or in the case of a business combination, the allocated fair value at the acquisition date.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight line method to allocate the cost of intangible asset over its estimated useful life or ten years if the useful lives of an intangible asset cannot be estimated reliably and are assessed for any indication that the asset could be impaired. If such indication exists, the previous estimates are reviewed and the change in the residual value, amortisation method or useful life are accounted for as a change in accounting estimate in accordance with Section 10 Accounting Policies, Estimates and Errors of the MPERS.

The amortisation amount of the following intangible assets over their estimate useful lives, as follows:

	<u>Rate %</u>
Software	20%

2.3 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell, value in use and zero.

2.3 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS (CONTINUED)

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

2.4 FOREIGN CURRENCY

Foreign Currency ~ Foreign Currency Transactions

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

2.5 FINANCIAL ASSETS

Financial assets are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

i) Financial Assets At Fair Value Through Profit Or Loss

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

2.5 FINANCIAL ASSETS (CONTINUED)

i) Financial Assets At Fair Value Through Profit Or Loss (continued)

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) Financial Assets That Are Debt Instruments Measured At Amortised Cost

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

iii) Financial Assets That Are Equity Instruments Measured At Cost Less Impairment

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

iv) Impairment Of Financial Assets

At the end of each reporting period, the Company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidence could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

2.5 FINANCIAL ASSETS (CONTINUED)

iv) Impairment Of Financial Assets (continued)

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

v) Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

2.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisition, net of bank overdrafts.

2.7 LIABILITIES AND EQUITY

i) Classification Of Liabilities And Equity

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangement, not merely its legal form, and in accordance with the definitions of a financial liability and an equity instrument.

ii) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

2.7 LIABILITIES AND EQUITY (CONTINUED)

ii) Equity Instruments (continued)

The Company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS.

Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

2.8 FINANCIAL LIABILITIES

Financial liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the Company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

i) Financial Liabilities Measured At Fair Value Through Profit Or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

ii) Financial Liabilities Measured At Amortised Cost

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

iii) Loan Commitments Measured At Cost Less Impairment

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

2.8 FINANCIAL LIABILITIES (CONTINUED)

iv) Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

2.9 PROVISIONS

A provision is recognised when the Company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.10 REVENUE

Rendering of Services

Revenue from rendering of services is measured by reference to the stage of completion of the transaction at the reporting date.

2.11 EMPLOYMENT BENEFITS

i) Short-Term Employment Benefits

Short-term employment benefits, such as wages, salaries and other benefits, are recognised at the undiscounted amount as a liability and an expense when the employees have rendered services to the Company.

The expected cost of accumulating compensated absences are recognised when the employees render services that increase their entitlement to future compensated absences. The expected cost of non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences are measured at the undiscounted additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

The expected cost of profit-sharing and bonus payments are recognised when the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the Company has no realistic alternative but to make the payments.

2.11 EMPLOYMENT BENEFITS (CONTINUED)

ii) Defined contribution plan

Contributions payable to the defined contribution plan are recognised as a liability and an expense when the employees have rendered services to the Company.

2.12 INCOME TAX

Tax expense is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised in other comprehensive income.

Tax payable on taxable profit for current and past periods is recognised as a current tax liability to the extent unpaid. If the amount paid in respect of the current and past periods exceeds the amount payable for those periods, the excess is recognised as a current tax assets.

Current tax assets and liabilities are measured at the amounts expected to be paid or recovered, using the tax rates and laws that have been enacted or substantially enacted by the reporting date.

Current tax liabilities and assets are offset if, and only if the Company has a legally enforceable right to set off the amounts and plan either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is provided in full on temporary differences which are the differences between the carrying amounts in the financial statements and the corresponding tax base of an asset or liability at the end of the reporting period.

Deferred tax liabilities are recognised for all taxable temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all deductible temporary differences that are expected to reduce taxable profit in the future and the carryforward of unused tax losses and unused tax credits.

Deferred tax liabilities and assets are not recognised in respect of the temporary differences associated with the initial recognition of an asset or a liability in a transaction that is not a business combination and at the time of the transactions, affects neither accounting profit nor taxable profit. Deferred tax liabilities are also not recognised for temporary difference associated with the initial recognition of goodwill.

Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the Company expects to recover or settle the carrying amounts of their assets and liabilities and are measured at the tax rates and laws that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantially enacted by the reporting date.

3 PLANT AND EQUIPMENT

	As at 01.09.2019 RM	Additions RM	As at 31.08.2020 RM
Cost			
Equipment	16,280	90,517	106,797
Computers	29,018	33,358	62,376
	<u>45,298</u>	<u>123,875</u>	<u>169,173</u>

3 PLANT AND EQUIPMENT (CONTINUED)

	As at 01.09.2019 RM	Charge for the financial year RM	As at 31.08.2020 RM
<u>Accumulated depreciation</u>			
Equipment	3,256	21,359	24,615
Computers	5,804	12,475	18,279
	9,060	33,834	42,894
		2020 RM	2019 RM
<u>Carrying amount</u>			
Equipment		82,182	13,024
Computers		44,097	23,214
		126,279	36,238

4 INTANGIBLE ASSETS

	As at 01.09.2019 RM	Additions RM	As at 31.08.2020 RM
<u>Cost</u>			
Software	-	1,850	1,850
	-	1,850	1,850

	As at 01.09.2019 RM	Charge for the financial year RM	As at 31.08.2020 RM
<u>Accumulated amortisation</u>			
Software	-	370	370
	-	370	370
		2020 RM	2019 RM
<u>Carrying amount</u>			
Software		1,480	-
		1,480	-

5 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 RM	2019 RM
Other receivables	9,577	-
Deposits	29,000	14,000
Prepayments	6,000	-
	44,577	14,000

6 CASH AND BANK BALANCES

	2020 RM	2019 RM
Cash in hand	702	100
Cash at bank	<u>1,818,884</u>	<u>150,741</u>
	<u><u>1,819,586</u></u>	<u><u>150,841</u></u>

7 SHARE CAPITAL

	Number of shares		Amount	
	2020 Units	2019 Units	2020 RM	2019 RM
Issued and fully paid ordinary shares:				
At beginning and end of the financial year	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

8 RETAINED EARNINGS

During the financial year, the Company is under single-tier tax system, tax on the Company's chargeable income is a final tax and any dividend distributed will be exempted from tax in the hands of shareholders.

9 DEFERRED TAX LIABILITIES

The following are the movements of deferred tax liabilities:

	Plant and equipment RM
<u>Deferred tax liabilities</u>	
At 26 April 2018	-
Recognised in income statement (Note 13)	-
At 31 August 2019	<u>-</u>
Recognised in income statement (Note 13)	5,212
At 31 August 2020	<u><u>5,212</u></u>

10 OTHER PAYABLES AND ACCRUALS

	2020 RM	2019 RM
Other payables	1,127,930	-
Accruals	<u>174,788</u>	<u>59,473</u>
	<u><u>1,302,718</u></u>	<u><u>59,473</u></u>

Included in other payables is RM1,089,036 (2019: Nil) owing to a Company in which certain Directors of the Company have interests. The outstanding amount is unsecured, interest-free and repayable on demand.

11 AMOUNT DUE TO A DIRECTOR

The amount is unsecured, interest-free and repayable on demand.

12 PROFIT BEFORE TAXATION

Disclosure items	01.09.2019 to 31.08.2020 RM	26.04.2018 to 31.08.2019 RM
This is stated at after charging:		
Auditors' remuneration	3,800	2,300
Depreciation	34,205	9,060
Director's EPF	22,080	11,520
Director's EIS and Socso	1,770	308
Directors' fees	-	112,000
Directors' remuneration	204,000	96,000
EPF, Socso and EIS	56,642	33,138
Preliminary expenses	-	2,650
Rental of premises	60,000	80,000
Salary, overtime and allowances	<u>384,757</u>	<u>253,869</u>
And crediting:		
Wage subsidy	<u>29,400</u>	<u>-</u>

13 INCOME TAX EXPENSES

	01.09.2019 to 31.08.2020 RM	26.04.2018 to 31.08.2019 RM
Current tax expense		
Current financial year/period	42,602	33,118
Under provision of taxation in previous financial period	277	-
	<u>42,879</u>	<u>33,118</u>
Deferred tax expense		
Current financial year/period (Note 9)	5,212	-
Total income tax expense	<u>48,091</u>	<u>33,118</u>

The explanation of the relationship between tax expense and profit from ordinary activities before tax is as follows:-

	01.09.2019 to 31.08.2020 RM	26.04.2018 to 31.08.2019 RM
Profit before taxation	<u>227,686</u>	<u>194,416</u>
Tax at Malaysian statutory tax rate of 17% (2019: 17%)	38,707	33,051
Tax effect of:		
Expenses not deductible for tax purposes	3,895	67
Under provision of taxation in previous financial period	277	-
Transfer to deferred taxation	5,212	-
Tax expenses	<u>48,091</u>	<u>33,118</u>

13 INCOME TAX EXPENSES (CONTINUED)

The income tax rate applicable to small and medium scale enterprises (SME) incorporated in Malaysia with paid-up capital RM2.5 million and below is subject to the statutory tax rate of 17% (2019: 17%) on chargeable income of up to RM600,000 (2019: RM500,000), the statutory tax rate of 24% (2019: 24%) is still applicable.

14 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on 02 February 2021.

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Lodged in the Registrar office of Kuala Lumpur.

Registration No. 201801016216 (1278232-H)

CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020**

	01.09.2019 to 31.08.2020	26.04.2018 to 31.08.2019
	RM	RM
REVENUE	1,769,169	1,023,840
LESS: COST OF SALES		
Purchases	154,995	28,494
Video production costs	107,903	59,840
	<u>262,898</u>	<u>88,334</u>
GROSS PROFIT	1,506,271	935,506
ADD: OTHER OPERATING INCOME		
Sales of merchandise	90	-
Wage subsidy	29,400	-
	<u>29,490</u>	<u>-</u>
	1,535,761	935,506
LESS: ADMINISTRATIVE AND OPERATING EXPENSES	1,308,075	741,090
PROFIT BEFORE TAX	<u>227,686</u>	<u>194,416</u>

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.

CREATOR STUDIO SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 AUGUST 2020**

	01.09.2019 to 31.08.2020 RM	26.04.2018 to 31.08.2019 RM
ADMINISTRATIVE AND OPERATING EXPENSES		
Accounting fees	8,000	6,000
Auditors' remuneration	3,800	2,300
Audit disbursement	403	-
Bank charges	1,029	148
Commission	254,804	67,532
Depreciation	34,205	9,060
Director's EPF	22,080	11,520
Director's EIS and Socso	1,770	308
Directors' fees	-	112,000
Directors' remuneration	204,000	96,000
Electricity, gas and water	30,002	7,904
Entertainment	2,471	365
EPF, Socso and EIS	56,642	33,138
General expenses	-	581
Legal and professional fees	30,300	-
Petrol, toll and parking	14,311	8,273
Postage and courier charges	-	319
Preliminary expenses	-	2,650
Printing and stationery	928	2,048
Rental of premises	60,000	80,000
Salary, overtime and allowances	384,757	253,869
Secretarial and filing fees	1,815	1,430
Staff welfare and refreshments	63,346	15,834
Taxation fees	1,272	1,000
Telephone and internet charges	27,005	368
Travelling and accommodation	19,917	8,566
Upkeep of office equipment	4,347	16,377
Upkeep of premises	80,871	3,500
	<u>1,308,075</u>	<u>741,090</u>

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