

REGISTRATION NUMBER: 201601034927 (1205868 U)

# HEXAGRAM FINTECH SDN. BHD.

(formerly known as HEXAGON GLOBAL IT SOLUTIONS SDN. BHD.)  
(Incorporated in Malaysia)

Reports and Financial Statements  
for the year ended 31 March 2022

**EMC & ASSOCIATES**  
CHARTERED ACCOUNTANTS

AF:1172

HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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(Incorporated in Malaysia)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 March 2022.

### PRINCIPAL ACTIVITIES

The principal activities of the Company are provision of business of information technology products and consultancy services. There have been no significant changes in the nature of these activities during the year.

### FINANCIAL RESULTS

	RM
Loss for the year	<u>(242,640)</u>

### HOLDING COMPANY

The Company is a wholly-owned subsidiary company of Hexagram Fintech Private Limited, a company incorporated in India, following an acquisition of the entire stake from Hexagon Global IT Services Private Limited on 15.11.2021. The directors regard KFin Technologies Limited, a public limited company incorporated in India, as its ultimate holding company.

### SIGNIFICANT EVENTS

The Company changed its name from Hexagon Global IT Solutions Sdn. Bhd. to Hexagram Fintech Sdn. Bhd. with effective from 4 August 2021.

### DIVIDEND

No dividend was recommended by the directors for the current year.

### MOVEMENTS ON RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the year have been disclosed in the financial statements.

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## SHARES, DEBENTURES AND SHARE OPTIONS

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

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

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

## DIRECTORS

The names of the directors of the Company in office during the financial year and since the end of the financial year up to the date of this report are:

Ravi Seshadri	
Suzana Binti Ahmad	
Anaz Kamal Bin Mohd Noor	
Arun Menon	(Resigned on 7.2.2022)
Ramakrishna Ravindranath	(Resigned on 7.2.2022)

## DIRECTORS' INTERESTS

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 year in the ordinary shares of the Company and its related corporations during the year are as follows:

	Number of ordinary shares			At 31.3.2022
	At 1.4.2021	Bought	Sold	
Ravi Seshadri	-	-	-	-
Suzana Binti Ahmad	-	-	-	-
Anaz Kamal Bin Mohd Noor	-	-	-	-

## DIRECTORS' BENEFITS

Neither at the end of the year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with any 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.

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#### DIRECTORS' REMUNERATION

None of the directors or past directors of the Company has received any remuneration from the Company during the year.

None of the directors or past directors of the Company has received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid to or payable to any third party in respect of the services provided to the Company by the directors or past directors of the Company during the year.

#### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

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

#### AUDITORS' REMUNERATIONS

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

	RM
Statutory audit	<u>5,600</u>

#### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Company were made out, the directors took reasonable steps:
- (i) 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 satisfied themselves that there were no known bad debts and that no allowance for doubtful debts was necessary; and
  - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) As of the date of this report, the directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Company; or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Company misleading; or

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- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or
  - (iv) not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (c) As of the date of this report, there does not exist:
- (i) any charge on the assets of the Company which has arisen since the end of the year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Company which has arisen since the end of the year.
- (d) 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 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.
- (e) In the opinion of the directors:
- (i) the results of the operations of the Company during the year were not substantially affected by any item, transaction or event of a material and unusual nature.
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Company for the year in which this report is made.

#### AUDITORS

The auditors, Messrs EMC & Associates, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors.

  
.....  
SUZANA BINTI AHMAD

  
.....  
RAVI SESHADRI

Dated: 27 MAY 2022

HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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Statement by Directors  
Pursuant to Section 251 (2) of the Companies Act 2016

We, SUZANA BINTI AHMAD and RAVI SESHADRI, being two of the directors of HEXAGRAM FINTECH SDN. BHD. (formerly known as HEXAGON GLOBAL IT SOLUTIONS SDN. BHD.), do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 27 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 March 2022 and of the financial performance of the Company for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors.

  
.....  
SUZANA BINTI AHMAD

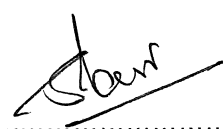
  
.....  
RAVI SESHADRI

Dated: **27 MAY 2022**

Statutory Declaration  
Pursuant to Section 251 (1) of the Companies Act 2016

I, RAVI SESHADRI, being the Director primarily responsible for the financial management of HEXAGRAM FINTECH SDN. BHD. (formerly known as HEXAGON GLOBAL IT SOLUTIONS SDN. BHD.), do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 27 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 Notaries Act 1952.

Subscribed and solemnly declared  
by the abovenamed  
RAVI SESHADRI  
at Bangalore  
in the state of Karnataka, India  
on )  
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.....  
RAVI SESHADRI

Before me,

### SWORN TO BEFORE ME

*U. & C. S. Patil 27/05/22*  
ARAVIND PATIL, G.G. B.A., LL.B  
ADVOCATE & NOTARY  
12th Main, Near Old Sub Register Office  
4th Block, Jayanagar, Bengaluru - 560 011.  
.....  
Notary Public



Term Expires On **23-08-2026**  
LAW LCL 213-2020  
ARAVIND PATIL G.G.  
ADVOCATE & NOTARY

**27 MAY 2022**



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of HEXAGRAM FINTECH SDN. BHD. (formerly known as HEXAGON GLOBAL IT SOLUTIONS SDN. BHD.), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 27.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, and of its financial performance and its cash flows for the 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.



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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.

#### 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.





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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:

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



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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.

EMC & ASSOCIATES  
[AF: 1172]  
Chartered Accountants

CHAN ENG MAT  
[00985/03/2024 J]  
Chartered Accountant

Date : 27 MAY 2022

Kuala Lumpur, Malaysia.

HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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STATEMENT OF FINANCIAL POSITION  
 AS AT 31 MARCH 2022

	Note	2022 RM	2021 RM
<b>ASSETS</b>			
<b>NON-CURRENT ASSET</b>			
Property, plant and equipment	3	-	6
<b>CURRENT ASSETS</b>			
Trade receivables	4	1,041,710	1,152,293
Other receivables	5	9,264	16,432
Current tax assets		14,161	33,480
Bank balance		150,115	927,371
		<u>1,215,250</u>	<u>2,129,576</u>
<b>TOTAL ASSETS</b>		<u>1,215,250</u>	<u>2,129,582</u>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
Share capital	6	539,792	539,792
Retained earnings		29,808	272,448
<b>SHAREHOLDERS' EQUITY</b>		<u>569,600</u>	<u>812,240</u>
<b>CURRENT LIABILITIES</b>			
Trade payables	8	87,221	-
Other payables	9	558,429	216,832
Amount due to holding company		-	977,510
Current tax liabilities		-	123,000
		<u>645,650</u>	<u>1,317,342</u>
<b>TOTAL LIABILITIES</b>		<u>645,650</u>	<u>1,317,342</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,215,250</u>	<u>2,129,582</u>

The accompanying notes form an integral part of the financial statements

HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 RM	2021 RM
Revenue	2.9 & 12	1,519,611	2,855,639
Direct costs		<u>(657,711)</u>	<u>(1,194,616)</u>
Gross profit		861,900	1,661,023
Other operating income		-	16,225
Administration expenses		(1,104,328)	(910,769)
Other operating expenses		<u>(1,181)</u>	<u>(8,565)</u>
(Loss)/Profit before tax	10	(243,609)	757,914
Income tax expense	11	<u>969</u>	<u>(123,000)</u>
(Loss)/Profit for the year		(242,640)	634,914
Other comprehensive income, net of tax		<u>-</u>	<u>-</u>
Total comprehensive (loss)/income for the year		<u><u>(242,640)</u></u>	<u><u>634,914</u></u>

The accompanying notes form an integral part of the financial statements

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STATEMENT OF CHANGES IN EQUITY  
 FOR THE YEAR ENDED 31 MARCH 2022

	Share capital RM	Retained earnings RM	Total RM
As at 1 April 2020	539,792	(362,466)	177,326
Profit for the year	-	634,914	634,914
Other comprehensive income for the year	-	-	-
Total comprehensive income	-	634,914	634,914
As at 31 March 2021	539,792	272,448	812,240
Loss for the year	-	(242,640)	(242,640)
Other comprehensive income for the year	-	-	-
Total comprehensive loss	-	(242,640)	(242,640)
As at 31 March 2022	539,792	29,808	569,600

The accompanying notes form an integral part of the financial statements

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STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2022

	2022 RM	2021 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before tax	(243,609)	757,914
Adjustments for:		
Depreciation	6	194
Loss on foreign currency exchange - unrealised	25	-
Gain on foreign currency exchange - unrealised	-	(25)
Operating (loss)/profit before working capital changes	(243,578)	758,083
Decrease/(increase) in receivables	117,726	(938,095)
Increase in payables	428,818	157,804
(Decrease)/increase in amount due to holding company	(977,510)	618,181
Cash (used in)/from operations	(674,544)	595,973
Income tax refund	12,519	58,800
Income tax paid	(115,231)	(13,880)
Net cash (used in)/from operating activities	(777,256)	640,893
Net (decrease)/increase in cash and cash equivalents	(777,256)	640,893
Cash and cash equivalents at beginning of the year	927,371	286,478
Cash and cash equivalents at end of the year	150,115	927,371
Cash and cash equivalents comprise:		
Bank balance	150,115	927,371

The accompanying notes form an integral part of the financial statements

HEXAGRAM FINTECH SDN. BHD. 201601034927 (1205868 U)  
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

### 1. GENERAL INFORMATION

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on : **27 MAY 2022**

The registered office of the Company is at Suite 13.03, 13th Floor Menara Tan & Tan, 207 Jalan Tun Razak, 50400 Kuala Lumpur.

The principal place of business of the Company is at Suite No. 1618, 1 Sentral, Level 16 Jalan Stesen Sentral 5, KL Sentral, 50470 Kuala Lumpur.

The principal activities of the Company are provision of business of information technology products and consultancy services. There have been no significant changes in the nature of these activities during the year.

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

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of Preparation

The financial statements of the Company have been prepared under the historical cost convention unless otherwise indicated in the accounting policies below and in accordance with Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act 2016 in Malaysia.

The preparation of financial statements in conformity with Malaysian Private Entities Reporting Standard requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### 2.2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of Company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

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(a) Depreciation of plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial and production 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 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.

(b) 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 estimate 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 and deferred tax provisions in the period in which such determination is made.

(c) Impairment of assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Impairment of receivables

The Company makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.



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### 2.3 Property, plant and equipment and depreciation

The cost of an item of property, 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 property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

Depreciation of property, plant and equipment of the Company is provided on a straight line method to write off the cost of each asset to its residual value over its estimated useful life at the following annual rates:-

Office equipment	33%
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### 2.4 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 to sell, value in use and zero.

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.

## 2.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at transaction price, including transaction costs if the financial instrument is not measured at fair value through profit or loss, except a financing transaction. Financing transactions are measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

### (a) Basic financial instruments

Basic financial instruments include cash, debt instruments (receivables and payables), commitments to receive loans that cannot be settled net in cash, investments in non-convertible preference shares and non-puttable ordinary or preference shares.

The financial instruments shall be measured at the end of each reporting period without any deduction for transaction costs that may be incurred on sale or other disposal.

Subsequent to initial recognition, debts instruments are measured at amortised cost using the effective interest method, whilst commitments to receive a loan are measured at cost less impairment.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired or settled.

### (b) Financial liabilities

A financial liability is derecognised only when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled or expires. An exchange between an existing borrower and lender of financial instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

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Any difference between the carrying amount of a 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.

(c) 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.

If there is objective evidence that impairment losses have been incurred 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.

## 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

### (a) 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.

### (b) 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 of the MPERS, 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.

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 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.

## 2.9 Revenue recognition

Revenue from services rendered is recognised as and when the services are performed.

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#### 2.10 Foreign currency transaction and balances

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.

#### 2.11 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 asset.

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 carry forward 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.

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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.

## 2.12 Employee 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.

### (ii) Defined contribution plans

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

## 2.13 Related parties

A party is related to an entity if:-

- (i) directly, or indirectly through one or more intermediaries, the party:-
  - (a) controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
  - (b) has an interest in the entity that gives it significant influence over the entity; or
  - (c) has joint control over the entity;

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- (ii) the party is an associate of the entity;
- (iii) the party is a joint venture in which the entity is a venture;
- (iv) the party is a member of the key management personnel of the entity or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

### 3. PROPERTY, PLANT AND EQUIPMENT

	As at 1.4.2021 RM	As at 31.3.2022 RM	
<u>Cost</u>			
Office equipment	589	589	
	As at 1.4.2021 RM	Charges for the year RM	As at 31.3.2022 RM
<u>Accumulated Depreciation</u>			
Office equipment	583	6	589
		2022 RM	2021 RM
<u>Carrying Amount</u>			
Office equipment		-	6

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4. TRADE RECEIVABLES

The normal trade credit terms granted by the Company are 15 days (2021: 15 days).

5. OTHER RECEIVABLES

	2022 RM	2021 RM
Deposit	1,000	-
Prepayments	8,264	10,564
Sundry receivables	-	5,868
	<u>9,264</u>	<u>16,432</u>

6. SHARE CAPITAL

	2022 RM	2021 RM
Issued and fully paid: 539,792 ordinary shares at end of the year	<u>539,792</u>	<u>539,792</u>

7. DEFERRED TAXATION

Deferred tax assets have not been recognised in respect of the following temporary differences:

	2022 RM	2021 RM
Tax effects: Unutilised tax losses	<u>220,000</u>	<u>-</u>

The unutilised tax losses have not been recognised as it is not probable that taxable profit will be available in the foreseeable future.



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8. TRADE PAYABLES

	2022 RM	2021 RM
Amount due to contract customers	<u>87,221</u>	<u>-</u>

9. OTHER PAYABLES

	2022 RM	2021 RM
Accruals	5,998	5,600
Sundry payables	<u>552,431</u>	<u>211,232</u>
	<u>558,429</u>	<u>216,832</u>

The sundry payables is unsecured, interest free and repayable on demand.

10. (LOSS)/PROFIT BEFORE TAX

	2022 RM	2021 RM
This is stated after charging:		
Audit fee	5,600	5,600
Depreciation	6	194
Loss on foreign currency exchange - realised	1,156	8,565
Loss on foreign currency exchange - unrealised	25	-
Rental	56,549	57,456
Staff costs: -		
- Buyout expenses	2,577	-
- EPF, SOCSO and EIS	75,179	55,639
- Salaries, allowances and bonus	847,566	735,676
- Staff welfare	<u>12,911</u>	<u>718</u>
And crediting:		
Gain on foreign currency exchange - unrealised	<u>-</u>	<u>(25)</u>

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	2022	2021
The number of persons employed by the Company at year end	<u>11</u>	<u>11</u>

11. INCOME TAX EXPENSE

	2022 RM	2021 RM
Current year provision	-	123,000
Prior year over provision	<u>(969)</u>	<u>-</u>
	<u>(969)</u>	<u>123,000</u>

The Company has, subject to agreement with the Inland Revenue Board, unutilised tax losses carried forward of approximately RM 220,000 to set off against future chargeable income.

The effective tax rate for the Company differed from the statutory rate of tax due to:

	2022 RM	2021 RM
Profit before tax	<u>(243,609)</u>	<u>757,914</u>
Tax calculated at a rate of 24% (2021: 24%)	(58,466)	181,899
Tax effects of:		
- income not subject to tax	-	(6)
- expenses not deductible for tax purposes	5,348	4,106
- previously unabsorbed tax losses	-	(62,999)
- tax losses	53,118	-
Prior year over provision	<u>(969)</u>	<u>-</u>
Income tax expense	<u>(969)</u>	<u>123,000</u>

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12. REVENUE

	2022 RM	2021 RM
Provide information technology products and consultancy services	<u>1,519,611</u>	<u>2,855,639</u>

13. SIGNIFICANT EVENTS

The Company changed its name from Hexagon Global IT Solutions Sdn. Bhd. to Hexagram Fintech Sdn. Bhd. with effective from 4 August 2021.

14. RELATED PARTY DISCLOSURE

(a) Identifies of related parties

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

The Company has controlling related party relationship with its direct and indirect subsidiaries and its immediate and ultimate holding companies.

(b) Significant transactions made during the year between the Company and the related companies are as follow:

	2022 RM	2021 RM
Transaction with holding company: Professional fee	<u>525,000</u>	<u>965,000</u>

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15. FINANCIAL INSTRUMENTS

	2022 RM	2021 RM
<u>Financial assets measured at cost less impairment</u>		
Trade receivables	1,041,710	1,152,293
Other receivables	1,000	5,868
Bank balance	150,115	927,371
	<u>1,192,825</u>	<u>2,085,532</u>
<u>Financial liabilities measured at amortised cost</u>		
Other payables	541,046	186,301
Amount due to holding company	-	977,510
	<u>541,046</u>	<u>1,163,811</u>