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BARBEQUE NATION (MALAYSIA) SDN. BHD.

(Company No. 1249322-U)

(Incorporated in Malaysia)

Financial Statements
for the financial period from
3 October 2017 to 31 March 2018

GP & CO (AF002071)

Chartered Accountants

Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 OCTOBER 2017 TO 31 MARCH 2018

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Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE PERIOD FROM 3 OCTOBER 2017 TO 31 MARCH 2018

The directors hereby submit their report together with the audited financial statements of the company for the period from 3 October 2017 to 31 March 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company is running of restaurant. There has been no significant change in the nature of the activity during the financial period under review.

RESULTS

	RM
Loss for the period	<u><u>(106,001)</u></u>

In the opinion of the directors, the results of the operations of the Company during the period have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividends have been paid or declared since the date of incorporation. The directors do not recommend that a dividend to be paid in respect of the current period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions except as disclosed in the financial statements.

SHARES AND DEBENTURES

During the period, the Company has issued the following ordinary shares:

<u>Date of issue</u>	<u>Class of share</u>	<u>No. of shares issued</u>	<u>Issue price</u>	<u>Consideration</u>	<u>Purpose</u>
3 October 2017	Ordinary shares	2	RM 1.00	RM 2	Working capital
24 January 2018	Ordinary shares	499,998	RM 1.00	RM 499,998	Working capital
13 March 2018	Ordinary shares	500,000	RM 1.00	RM 500,000	Working capital

The Company did not issue any debentures during the period.

SHARE OPTIONS

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

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

DIRECTORS

The directors of the Company in office at any time during the period and since the end of the period up to the date of this report are:

Kayum Razak Dhanani	(Named in Articles)
Marlina Binti Budin	(Named in Articles)
Raoof Abdul Razak Dhanani	(Named in Articles)
Ramamurthy Mohankumar	(Appointed on 29.1.2018)
Huang Swee Lin	(Appointed on 29.1.2018)

DIRECTORS' BENEFITS

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

Since the date of incorporation, no director has received or become entitled to receive a benefit 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' INTERESTS

None of the directors in office at the end of the period have interest in shares of the Company during the period from 3 October 2017 to 31 March 2018.

DIRECTORS' REMUNERATIONS

None of the directors or past directors of the Company have received any remunerations from the Company during the period.

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

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 period.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the period, 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.

OTHER STATUTORY INFORMATION (CONT'D)

As of 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 period and secures the liability of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the period.

No contingent or other liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the period 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 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 period and the date of this report which is likely to affect substantially the results of operations of the Company for the period in which this report is made.

HOLDING COMPANY

The Company is a wholly owned subsidiary of Barbeque Nation Holdings Limited, a Company incorporated in United Arab Emirates.

Company No.: 1249322-U

Regd. No.: 2855
Date: 15/6/2018

AUDITORS' REMUNERATIONS

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

	2018 RM
Statutory audit	<u>2,500</u>

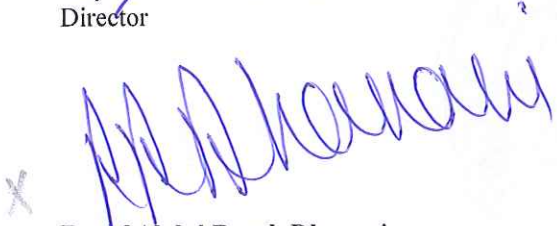
AUDITORS

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

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



Kayum Razak Dhanani
Director



Raouf Abdul Razak Dhanani
Director

Vadodara, Gujarat

15 JUN 2018



Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

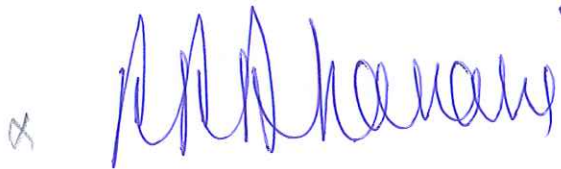
STATEMENT BY DIRECTORS
Pursuant to Section 251 (2) of the Companies Act 2016

The directors of **BARBEQUE NATION (MALAYSIA) SDN. BHD.** state that, in their opinion, the financial statements of the Company set out on pages 9 to 21 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 2018** and financial performance of the Company for the period from **3 October 2017** to **31 March 2018**.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors,



Kayum Razak Dhanani
Director



Raof Abdul Razak Dhanani
Director

Vadodara, Gujarat

15 JUN 2018

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

I, **Kayum Razak Dhanani**, the director primarily responsible for the financial management of **BARBEQUE NATION (MALAYSIA) SDN. BHD.**, do solemnly and sincerely declare that the financial statements set out on pages 9 to 21 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 above-named at Vadodara in the State of)
Gujarat this 15 JUN 2018)

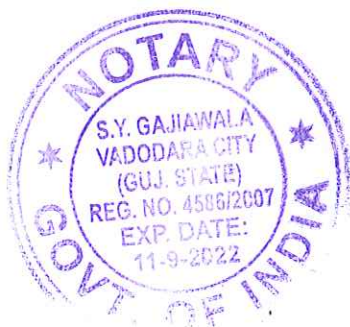


Kayum Razak Dhanani

Before me,

Notary

BEFORE ME
15/6/2018
S. Y. GAJAWALA
NOTARY



**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **BARBEQUE NATION (MALAYSIA) SDN. Bhd.**, which comprise the statement of financial position as at **31 March 2018**, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 21.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at **31 March 2018**, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements (Cont'd)

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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
BARBEQUE NATION (MALAYSIA) SDN. BHD. (Company No.: 1249322-U)
(Incorporated in Malaysia)**

Report on the Audit of the Financial Statements (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'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.
- 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.



GP & CO
AF No: 002071
Chartered Accountants



Ganesen Pillay Narayana Pillay
Approval No: 2765/02/19 (J)
Chartered Accountant

Petaling Jaya

15 JUN 2018

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	RM
ASSETS		
CURRENT ASSETS		
Other receivables, deposits and prepayments	3	1,339,864
Bank balance		<u>14,442</u>
		<u>1,354,306</u>
TOTAL ASSETS		<u><u>1,354,306</u></u>
EQUITY AND LIABILITIES		
CAPITAL AND RESERVES		
Share capital	4	1,000,000
Loss		<u>(106,001)</u>
SHAREHOLDERS' EQUITY		<u>893,999</u>
CURRENT LIABILITIES		
Other payables and accruals	5	11,273
Amount due to holding company	6	395,424
Amount due to a related company	7	<u>53,610</u>
		<u>460,307</u>
TOTAL LIABILITIES		<u>460,307</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,354,306</u></u>

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

Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018**

	Note	RM
REVENUE		-
Administration expenses		<u>(106,001)</u>
Loss before tax	8	(106,001)
Income tax expense	9	<u>-</u>
Loss for the period		<u><u>(106,001)</u></u>

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

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018

	Share capital RM	Loss RM	Total RM
As at 3 October 2017 <i>(Date of incorporation)</i>	2	-	2
Loss for the period	-	(106,001)	(106,001)
Issue of shares during the period	<u>999,998</u>	<u>-</u>	<u>999,998</u>
As at 31 March 2018	<u><u>1,000,000</u></u>	<u><u>(106,001)</u></u>	<u><u>893,999</u></u>

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

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018

	RM
CASH FLOWS FROM OPERATING ACTIVITIES	
Loss before tax	<u>(106,001)</u>
Operating loss before working capital changes	(106,001)
Increase in other receivable	(1,339,864)
Increase in other payable	<u>11,273</u>
Net cash used in operating activities	<u>(1,434,592)</u>
CASH FLOWS FROM INVESTING ACTIVITY	
Proceeds from issuance of share capital	<u>1,000,000</u>
Net cash from investing activity	<u>1,000,000</u>
CASH FLOWS FROM FINANCING ACTIVITY	
Advances from related companies	<u>449,034</u>
Net cash from financing activity	<u>449,034</u>
Net increase in cash and cash equivalents	<u>14,442</u>
Cash and cash equivalents at end of the period	<u><u>14,442</u></u>
Cash and cash equivalents comprise:	
Bank balance	<u><u>14,442</u></u>

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

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018**

1 GENERAL INFORMATION

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

The registered office is located at Lot 6.05, Level 6, KPMG Tower, 8 First Avenue, Bandar Utama 47800 Petaling Jaya, Selangor.

The principal place of business is located at Lot No-9.101.00, ES9.101.00, 9.102.00 & ES9.102.00, 9th Floor, Elite Pavilion Mall, 168, Jalan Bukit Bintang, Kuala Lumpur.

The principal activity of the Company is running of restaurant. There has been no significant change in the nature of the activity during the financial period.

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 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.1 IMPAIRMENT OF ASSETS, OTHER THAN INVENTORIES AND FINANCIAL ASSETS (CONT'D)

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.

2.2 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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 FINANCIAL ASSETS (CONT'D)

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. 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.

iii) *Financial Assets That Are Debt Instruments Measured At Amortised Cost*

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.

iv) *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.

v) *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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 FINANCIAL ASSETS (CONT'D)

v) *Impairment Of Financial Assets (Cont'd)*

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 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.

vi) *De-Recognition 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 de-recognition 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.

2.3 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.

2.4 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 LIABILITIES AND EQUITY (CONT'D)

ii) *Equity Instruments (Cont'd)*

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.

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.

2.5 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 FINANCIAL LIABILITIES (CONT'D)

ii) *Financial Liabilities Measured At Amortised Cost (Cont'd)*

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.

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.

2.6 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.6 INCOME TAX (CONT'D)

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 OTHER RECEIVABLE, DEPOSITS AND PREPAYMENTS

	2018 RM
Other receivables – capital expenditure in progress	1,159,764
Deposits	140,100
Prepayments	40,000
	<u>1,339,864</u>

4 SHARE CAPITAL

	Number of shares 2018 Units	2018 RM
Issued and fully paid ordinary shares		
At beginning of the period	2	2
Issued during the period	<u>999,998</u>	<u>999,998</u>
At end of the period	<u>1,000,000</u>	<u>1,000,000</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.

5 OTHER PAYABLES AND ACCRUALS

	2018
	RM
Other payables	5,073
Accruals	<u>6,200</u>
	<u><u>11,273</u></u>

6 AMOUNT DUE TO HOLDING COMPANY

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

7 AMOUNT DUE TO A RELATED COMPANY

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

8 LOSS BEFORE TAX

8.1 DISCLOSURE ITEMS

	3.10.2017
	to
	31.3.2018
	RM
This is stated after charging:	
Audit fee	<u><u>2,500</u></u>

9 INCOME TAX EXPENSE

No taxation is provided in the financial statements for the current financial period as the Company has no chargeable income.

The income tax expense is reconciled to the accounting loss at the applicable tax rate as follows:

	3.10.2017
	to
	31.3.2018
	RM
Loss before tax	<u>(106,001)</u>
Tax at Malaysian statutory tax rate	(19,080)
Tax effects of:	
Non-deductible expenses	<u>(19,080)</u>
Total income tax expense	<u><u>-</u></u>

10 INCORPORATION

The company was incorporated on 3 October 2017.

11 HOLDINGS

The Company is a wholly owned subsidiary of Barbeque Nation Holdings Limited, a Company incorporated in United Arab Emirates.

12 COMPARATIVE FIGURES

There is no comparative figure as this is the Company's first set of financial statements since its incorporation.

13 AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

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

15 JUN 2018

Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018**

	RM
REVENUE	-
LESS: OPERATING EXPENSES	<u>(106,001)</u>
LOSS BEFORE TAX	<u><u>(106,001)</u></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.

Company No.: 1249322-U

BARBEQUE NATION (MALAYSIA) SDN. BHD.
(Incorporated in Malaysia)

OPERATING EXPENSES
FOR THE PERIOD FROM 3 OCTOBER 2017 (DATE OF INCORPORATION) TO
31 MARCH 2018

	RM
ADMINISTRATION EXPENSES	
Accounting fees	2,500
Audit fee	2,500
Bank charges	98
GST expenses	990
Interest on Loan	2,500
Permit charges	1,275
Postage and courier	395
Professional fees	27,899
Registration fees	26,488
Retainer fees	4,000
Secretarial and filing fees	6,289
Sundry expenses	36
Tax agent fees	1,200
Travelling and accommodation	29,831
	<hr/>
	106,001
	<hr/>
	106,001
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