

**HORIZON TELE SYSTEMS SDN BHD**  
Company No. 201201018072 (1003585-P)  
(Incorporated in Malaysia)

**REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2025**

**I N D E X**  
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**TCMK ASSOCIATED  
CHARTERED ACCOUNTANTS**

**HORIZON TELE SYSTEMS SDN BHD**  
(Incorporated in Malaysia)

**CORPORATE INFORMATION**

Domicile: Malaysia

Legal form and place of incorporation: Private Company incorporated in Malaysia under the Companies Act 1965 and limited by shares.

Registered office: Wisma ADISS, Udarama Complex, No. 1-3A, 4<sup>th</sup> Floor,  
Jalan 1/64A, 50350 Kuala Lumpur.

Principal place of business: No. 23, Jalan Linggis 15/24, Taman Perindustrian  
Linggis, Seksyen 15, 40200 Shah Alam, Selangor,  
Malaysia.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The principal activities of the company are to carry on the business of manufacturing and trading in all types of telecom equipment and the supply, testing and commissioning of electrical vehicles (EV) chargers. There have been no significant changes in the nature of its activity during the financial year.

RESULTS

The results of the operation of the company for the year ended 31 March 2025 are as follows:-

	RM
Loss after taxation	(2,082,931)
Accumulated losses brought forward	(3,186,693)
Accumulated losses carried forward	<u>(5,269,624)</u>

DIVIDEND

Since the last financial year of the company, the Directors have not recommended or paid any dividend.

RESERVES AND PROVISIONS

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

DIRECTORS OF THE COMPANY

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

Puran Mal Singh	
Gauravaram Navalur Chandrasekar Sailesh	
Chong Chee Hoe	Appointed w.e.f 7 <sup>th</sup> October 2024
Azahar bin Mohd Jizat	Resigned w.e.f 29 <sup>th</sup> November 2024

DIRECTORS' INTERESTS

None of the Directors holding office at 31 March 2025 had any interest in the shares of the Company and of its related corporations during the financial year.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025  
(Cont'd)

#### DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by the directors shown in the financial statements) 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.

There were no arrangements during and at the end of the financial year which had the 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.

#### 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 year are as follows:

	RM
Fees	403,312
Allowances, bonus and annual wage supplement	14,000
EPF, SOCSO and EIS	50,388
	<u>467,700</u>

None of the directors or past directors of the Company have 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.

#### ISSUE OF SHARES

There were no other changes in the authorised, issued and paid-up capital of the Company during the financial year.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025  
(Cont'd)

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

HOLDING COMPANY

The holding company is EXICOM TELE- SYSTEMS (SINGAPORE) PTE LTD, a company incorporated in the Republic of Singapore.

ULTIMATE HOLDING COMPANY

The ultimate holding company is EXICOM TELE- SYSTEMS LTD, a company incorporated in the Republic of India.

OTHER STATUTORY INFORMATION

Before the financial statement of the Company was made out, the directors took reasonable steps to ascertain that:

- (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.

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

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2025  
(Cont'd)

- (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 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 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 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, 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 succeeding year.

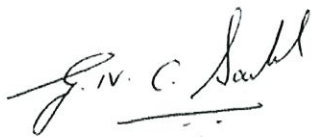
AUDITORS

The auditors, Messrs. TCMK ASSOCIATED, Chartered Accountants have indicated their willingness to continue in office.

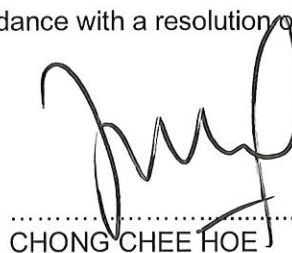
AUDITORS' REMUNERATION

The remuneration of auditors for the financial year ended 31st March, 2025 is RM16,250.00

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



.....  
GAURAVARAM NAVALUR  
CHANDRASEKAR SAILESH



.....  
CHONG CHEE HOE

Dated : **29 APR 2025**  
Kuala Lumpur

Company No: 201201018072 (1003585-P)

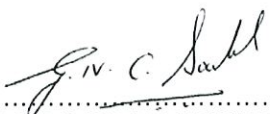
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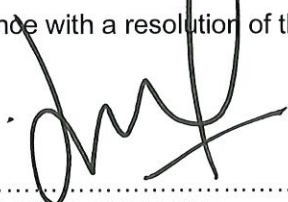
HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

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

We CHONG CHEE HOE and GAURAVARAM NAVALUR CHANDRASEKAR SAILESH being the Directors of HORIZON TELE SYSTEMS SDN BHD hereby state that in our opinion, the financial statements set out on the accompanying pages are drawn up in accordance with Malaysian Financial Reporting Standard and the requirements of 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 2025 and financial performance of the Company for the year ended on that date.

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

  
.....  
GAURAVARAM NAVALUR  
CHANDRASEKAR SAILESH

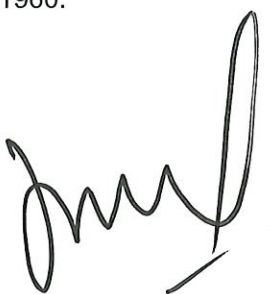
  
.....  
CHONG CHEE HOE

Dated : **29 APR 2025**  
Kuala Lumpur

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

I, CHONG CHEE HOE (IC No: 691105-07-5005) being a Director primarily responsible for the financial management of HORIZON TELE SYSTEMS SDN BHD do solemnly and sincerely declare that the financial statements set on the accompanying pages 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 Declaration Act, 1960.

Subscribed and solemnly )  
declared by the above )  
named CHONG CHEE HOE )  
at Kuala Lumpur this **29 APR 2025** )

  
CHONG CHEE HOE

Before me,

Commissioner for Oaths



Company No: 201201018072 (1003585-P)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HORIZON TELE SYSTEMS SDN. BHD.**  
(Incorporated in Malaysia)

**Report on audit of the financial statements**

**Opinion**

We have audited the financial statements of **Horizon Tele Systems Sdn. Bhd.**, which comprise the Statement of Financial Position as at 31<sup>st</sup> March, 2025, 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 36.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31<sup>st</sup> March, 2025 and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

**Basis for Opinion**

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

**Independence and Other Ethical Responsibilities**

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

**Material Uncertainty Related to Going Concern**

We draw attention to Note 3 in the financial statements which indicates that there is a deficit in net assets of RM 4,269,624 and incurred a net loss of RM 2,082,931 as at 31<sup>st</sup> March 2025. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HORIZON TELE SYSTEMS SDN. BHD. – Continued**  
(Incorporated in Malaysia)

**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.

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

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

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
HORIZON TELE SYSTEMS SDN. BHD. – Continued**  
(Incorporated in Malaysia)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**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.

**TCMK ASSOCIATED**  
Firm No: AF 0027  
Chartered Accountants

**M. KIRUPANANDAN**  
Auditor's No. 01306/01/2027(J)  
Partner

Dated: 29 APR 2025  
Kuala Lumpur, Malaysia

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	<u>2025</u> RM	<u>2024</u> RM
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Plant and equipment	4	346,691	450,568
Trade receivables	5	1,377,275	1,377,275
Deferred tax assets	19	1,063,116	450,606
		<u>2,787,082</u>	<u>2,278,449</u>
<u>Current Assets</u>			
Inventories	6	4,858,749	5,891,810
Trade receivables	5	7,446,402	8,837,616
Advance to suppliers	7	-	139,440
Current tax assets		121,455	98,155
Other receivables, deposits, and prepayments	8	1,143,272	1,167,216
Cash and cash equivalents	9	2,412,723	2,711,565
		<u>15,982,601</u>	<u>18,845,802</u>
Total assets		<u>18,769,683</u>	<u>21,124,251</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Equity Attributable to Owners of the Company</u>			
Share capital	10	1,000,000	1,000,000
Accumulated losses		(5,269,624)	(3,186,693)
Shareholder's deficit		<u>(4,269,624)</u>	<u>(2,186,693)</u>
<u>Non- Current Liabilities</u>			
Amount owing to holding company	11	17,630,458	16,585,255
		<u>17,630,458</u>	<u>16,585,255</u>
<u>Current Liabilities</u>			
Trade payables	12	5,070,591	6,507,654
Other payables and accruals	13	338,258	163,705
Deferred revenue	14	-	54,330
		<u>5,408,849</u>	<u>6,725,689</u>
Total liabilities		<u>23,039,307</u>	<u>23,310,944</u>
Total equity and liabilities		<u>18,769,683</u>	<u>21,124,251</u>

The notes on pages 14 to 36 form an integral part of the financial statements.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital RM	Accumulated Loss RM	Total RM
As at 01 April 2023	1,000,000	(1,726,796)	(726,796)
Loss for the Year	-	(1,459,897)	(1,459,897)
As at 31 March 2024	1,000,000	(3,186,693)	(2,186,693)
Loss for the Year	-	(2,082,931)	(2,082,931)
As at 31 March 2025	1,000,000	(5,269,624)	(4,269,624)

The notes on pages 14 to 36 form an integral part of the financial statements.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	<u>2025</u> RM	<u>2024</u> RM
Revenue	15	19,565,339	15,412,130
Less: Cost of sales		<u>(15,414,424)</u>	<u>(13,390,067)</u>
Gross profit		4,150,915	2,022,063
Add: Other income	16	462,187	391,427
Less: Administrative expenses		(706,462)	(523,859)
Less: Operating expenses		<u>(6,602,081)</u>	<u>(3,752,387)</u>
Loss before taxation	17	(2,695,441)	(1,862,756)
Less: Taxation	18	612,510	402,859
Loss after taxation		<u>(2,082,931)</u>	<u>(1,459,897)</u>

The notes on pages 14 to 36 form an integral part of the financial statements.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	<u>2025</u> RM	<u>2024</u> RM
<u>Cash Flow From Operating Activities</u>		
Loss before taxation	(2,695,441)	(1,862,756)
<u>Adjustments for</u>		
Depreciation	178,484	174,607
Unrealised foreign exchange loss	11,404	2,492
Operating loss before working capital changes	(2,505,553)	(1,685,657)
Changes in inventories	1,033,061	389,498
Changes in other receivables	23,944	206,055
Changes in advance to suppliers	139,440	2,078,424
Changes in trade receivable	1,391,214	(4,248,656)
Changes in trade payables	(1,437,063)	2,775,241
Changes in other payables and accruals	174,553	(96,644)
Changes in advance from customers	-	23,040
Changes in deferred revenue	(54,330)	54,330
Cash flow used in operating activities	(1,234,734)	(504,369)
Less: Tax paid	(23,300)	(51,168)
Net cash flow used in operating activities	(1,258,034)	(555,537)
<u>Cash Flow from Investing Activities</u>		
Acquisition of plant and equipment	(74,607)	(26,774)
Cash flow used in investing activities	(74,607)	(26,774)
<u>Cash Flow from Financing Activities</u>		
Changes in amount owing to holding company	1,045,203	154,331
Cash flow generated from financing activities	1,045,203	154,331
Net changes in cash and cash equivalents	(287,438)	(427,980)
Foreign exchange differences	(11,404)	(2,492)
Cash and cash equivalent at the beginning of the year	2,711,565	3,142,037
Cash and cash equivalents at the end of the year	<u>2,412,723</u>	<u>2,711,565</u>
<u>Represented By:</u>		
Cash and cash equivalents	<u>2,412,723</u>	<u>2,711,565</u>

The notes on pages 14 to 36 form an integral part of this financial statement.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025

**1. GENERAL INFORMATION**

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

The registered office of the Company is located at Wisma Adiss, Udarama Complex, No. 1-3A, 4<sup>th</sup> Floor, Jalan 1/64A, 50350 Kuala Lumpur.

The principal place of business is located at No.23, Jalan Linggis 15/24, Taman Perindustrian Linggis, Seksyen 15, 40200 Shah Alam, Selangor, Malaysia.

There were 34 employees employed by the company at the end of the financial year ended 31 March 2025. (2024: 29)

The financial statements are presented in Ringgit Malaysia.

**2. PRINCIPAL ACTIVITIES**

The principal activities of the company are to carry on the business of manufacturing and trading in all types of telecom equipment and the supply, testing and commissioning of electrical vehicles (EV) chargers. There have been no significant changes in the nature of its activity during the financial year.

The carrying amounts of the financial assets and liabilities approximate to their fair value after taking into consideration the nature and terms of the assets and liabilities.

**3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of Accounting**

The financial statements have been prepared on a historical cost basis and comply with Financial Reporting Standards (FRSs), accounting principles generally accepted and the provisions of the Companies Act 2016 in Malaysia.

The company has prepared its financial statements by applying the going concern assumption notwithstanding that the company has shareholder's deficit of RM4,269,624 (2024: RM2,186,693) and incurred a net loss of RM2,082,931 (2024: RM1,459,897). The ability of the company to continue as a going concern is dependent upon the continued financial support from director. The financial statements of the company do not include any adjustments relating to the amounts and classification of assets and liabilities that might be necessary should the company be unable to continue as a going concern.

The appropriateness of preparing the financial statements of the Company as going concern basis is dependent on the continuous financial support from its Holding Company Exicom Tele Systems (Singapore) Pte Ltd.

HORIZON TELE SYSTEMS SDN BHD  
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025  
(Cont'd)

3.2 Summary of Significant Accounting Policies

3.2 (a) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Projects-in-progress are not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Computer	20 %
Computer Software	20 %
Furniture and Fittings	20 %
Office Equipment	20 %
Renovation	20 %
Tools and equipment	20 %

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. The differences between the net disposal proceeds, if any, and the net carrying amount is recognized in profit or loss.

3.2 (b) Impairment of Non-Financial Assets

The carrying amounts of assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

HORIZON TELE SYSTEMS SDN BHD  
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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025  
(Cont'd)

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs to.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its 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 assessment of the time-value of money and the risks specific to the assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognized in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or group of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the year in which it arises, unless the asset is carried at revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

Impairment loss on goodwill is not reversed in a subsequent year. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimate used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of recognized impairment or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

### 3.2 (c) Financial Instruments

Financial instruments are recognised in the balance sheet when the Company has become a party to the contractual provisions of the instruments. The Company determines the classification of its financial instruments at initial recognition.

When financial instruments are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction cost, whereas, in the case of other financial liabilities, plus directly attributable transaction cost.

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Subsequent Measurement for Financial Assets

The subsequent measurement of financial assets depends on their classification as follows:-

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets classified as held for trading, and those designated at fair value through profit or loss upon initial recognition. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

The Company has not designated any financial assets upon initial recognition at fair value through profit or loss.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognized in the profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

(ii) Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loan and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the profit or loss when the loans and receivables are derecognized or impaired, and through the amortisation process.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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If in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent years.

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognized in the profit or loss.

The Company has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through amortization process.

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A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Financial instruments are offset when Company has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purpose of the cash flow statements, cash and cash equivalents included cash on hand and at banks and short term deposits and which are subject to an insignificant risk of changes in value and which form an integral part of the Company's cash management.

(ii) Receivables

Receivables are carried at anticipated recognized values. Bad debts are written off when identified. An estimate is made for doubtful debts on trade on trade debts which are six months or older, or when recoverability is considered doubtful.

(iii) Inventories

Inventories consist of power supply systems. Inventories are stated at the lower of cost and net realisable value. Cost comprises the invoices value of goods on a weighted average basis and comprises all costs of purchase and other cost incurred in bringing the stocks to their present location and condition. While necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is arrived at after due allowance is made for all obsolete and slow moving stocks.

(iv) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

(v) Borrowings

Borrowings are initially recognized at the fair value of the consideration receive less directly attributable transactions costs.

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3.2 (d) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, and unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary differences arise from goodwill or negative goodwill or from the initial recognition of an assets or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expenses and included in the profit or loss for the year

3.2 (e) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will require to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognised as finance cost.

Provisions for warranty-related costs are recognised when the product is sold or service provided. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

3.2 (f) Employee Benefits

(i) Employee Leave Entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leaves as a result of services rendered by employees up to the balance sheet date.

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3.2 (f) (ii) Defined Contribution Plan

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the EPF.

3.2 (g) Foreign Currencies

(i) Functional and presentation currency

The individual financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing the last dates of previous month. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year.

Exchange differences arising on the translation of non-monetary items, are included in profit or loss for the year except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity.

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3.2 (h) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from sales of goods is recognized upon the passage of title to the customers, which generally coincides with acceptance by and delivery to customers.

Management fees are recognized upon raising of invoices.

Interest income is recognized on receipt basis.

(i) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only the occurrence or non-occurrence of uncertain events(s) not wholly within the control of the Company. Contingent liabilities and assets are not recognised in the statements of financial position of the Company.

3.3 Adoption of revised FRSs, Amendments to FRSs and Interpretations

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2025.

During the financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and Interpretations of FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current financial year or prior years except as disclosed in this financial statements.

3.4 Significant Accounting Estimates

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgment. Estimate and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

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4. PLANT AND EQUIPMENT

	-----Cost-----			-----Accumulated Depreciation-----			Net Book Value
<u>2025</u>	Balance <u>01-04-24</u>	Adds/ <u>(Disp)</u>	Balance <u>31-03-25</u>	Balance <u>01-04-24</u>	Current year <u>Dep.</u>	Balance <u>31-03-24</u>	<u>31-03-25</u>
	RM	RM	RM	RM	RM	RM	RM
Computer	159,417	21,196	180,613	117,369	19,360	136,729	43,884
Computer software	39,423	-	39,423	35,198	4,224	39,422	1
Furniture and fittings	146,506	(1,065)	145,441	87,835	17,659	105,494	39,947
Office equipment	51,560	2,980	54,540	38,346	5,380	43,726	10,814
Renovation	680,584	39,013	719,597	392,034	108,902	500,936	218,661
Tools and equipment	155,621	11,418	167,039	111,761	21,894	133,655	33,384
	1,233,111	74,607	1,306,653	782,543	178,484	959,962	346,691
Total	-	(1,065)	-	-	(1,065)	-	-

	-----Cost-----			Accumulated -----Depreciation-----			Net Book Value
<u>2024</u>	Balance <u>01-04-23</u>	Adds/ <u>(Disp)</u>	Balance <u>31-03-24</u>	Balance <u>01-04-23</u>	Current year <u>Dep.</u>	Balance <u>31-03-24</u>	<u>31-03-24</u>
	RM	RM	RM	RM	RM	RM	RM
Computer	135,129	24,288	159,417	99,561	17,808	117,369	42,048
Computer software	39,423	-	39,423	29,583	5,615	35,198	4,225
Furniture and fittings	146,506	-	146,506	69,215	18,620	87,835	58,671
Office equipment	51,560	-	51,560	32,967	5,379	38,346	13,214
Renovation	680,584	-	680,584	287,467	104,567	392,034	288,550
Tools and equipment	153,135	2,486	155,621	89,143	22,618	111,761	43,860
Total	1,206,337	26,774	1,233,111	607,936	174,607	782,543	450,568

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5. TRADE RECEIVABLES

	<u>2025</u> RM	<u>2024</u> RM
<u>Non- current</u>		
Trade receivables	2,577,275	2,614,519
Less: Provision for doubtful debts	(1,200,000)	(1,237,244)
	<u>1,377,275</u>	<u>1,377,275</u>
<u>Current</u>		
Trade receivables	7,446,402	8,773,366
Contract retention sum	-	9,920
Unbilled contracts revenue	-	54,330
	<u>7,446,402</u>	<u>8,837,616</u>
	<u>8,823,677</u>	<u>10,214,891</u>

Included on the above are RM370,378 (2024: RM1,461,842) receivable from ultimate holding company.

6. INVENTORIES

	<u>2025</u> RM	<u>2024</u> RM
At Cost	6,096,735	6,102,702
Less: Provision for warranty repairs	(980,855)	-
Less: Provision for obsolete stock	(257,131)	(210,892)
	<u>4,858,749</u>	<u>5,891,810</u>

The management believes that no additional impairment beyond the amount provided for inventory write-down is inherent in the inventories valuation.

7. ADVANCE TO SUPPLIERS

The advance to supplier is an amount paid to a local supplier for ongoing services.

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8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	<u>2025</u> RM	<u>2024</u> RM
Prepayment	26,770	11,639
Deposits	85,824	77,824
Other receivables	1,030,678	1,077,753
	<u>1,143,272</u>	<u>1,167,216</u>

9. CASH AND CASH EQUIVALENTS

	<u>2025</u> RM	<u>2024</u> RM
Cash and bank balances	138,554	662,405
Deposits with:		
Licensed banks	2,030,986	1,983,463
Licensed investment banks	243,183	65,697
	<u>2,412,723</u>	<u>2,711,565</u>

The Cash and Cash Equivalents are translated to or denominated in Malaysian Ringgit.

10. SHARE CAPITAL

	<u>2025</u> Unit	<u>2024</u> Unit	<u>2025</u> RM	<u>2024</u> RM
<b>Issued and fully paid ordinary shares</b>				
At beginning and end of the year	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

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11. RELATED PARTIES TRANSACTION

11.1 Amount Owing to Holding Company

	<u>2025</u> RM	<u>2024</u> RM
Exicom Tele-Systems (Singapore) Pte Ltd	<u>17,630,458</u>	<u>16,585,255</u>

Amount owing to holding company in respect of non-trade payables are unsecured, interest free and have no fixed term of repayment.

11.2 Significant transaction between the company and related parties.

	<u>2025</u> RM	<u>2024</u> RM
Purchases from holding company	459,582	192,836
Purchases from ultimate holding company	3,061,750	3,413,094
Sales- Charge back cost from ultimate holding company	36,867	-
Management services rendered to holding company	-	311,400
Repair expenses paid to ultimate holding company	39,155	-
Warranty expense returned to ultimate holding company	-	646,316
Reimbursement income from holding company	459,559	976,125
Reimbursement expenses to holding company	<u>823,597</u>	<u>1,149,173</u>

Other than those disclosed elsewhere in the financial statements, the significant related party transactions are disclosed below.

Key management personnel compensation:

Director

	<u>2025</u> RM	<u>2024</u> RM
Fees	403,312	344,139
Allowances, bonus and annual wage supplement	14,000	51,338
EPF, SOCSO and EIS	50,388	48,534
	<u>467,700</u>	<u>444,011</u>

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12. TRADE PAYABLES

	<u>2025</u> RM	<u>2024</u> RM
Current	<u>5,070,591</u>	<u>6,507,654</u>

Included on the above are RM1,894,413 (2024: RM2,953,228) payable to ultimate holding company and RM452,706 (2024: RMRM98,840) payable to immediate holding company.

13. OTHER PAYABLES AND ACCRUALS

	<u>2025</u> RM	<u>2024</u> RM
Other payables	95,803	3,800
Accruals	219,416	136,866
Advance	<u>23,039</u>	<u>23,039</u>
	<u>338,258</u>	<u>163,705</u>

14. DEFERRED REVENUE

These are services to be provided in future for the cost recognised.

15. REVENUE

Revenue represents gross amount invoiced for telecom equipment sold including servicing.

Segment wise revenue

	<u>2025</u> RM	<u>2024</u> RM
Critical Power	12,350,377	10,869,077
EV	<u>7,214,962</u>	<u>4,543,053</u>
	<u>19,565,339</u>	<u>15,412,130</u>

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16. OTHER INCOME

	<u>2025</u> RM	<u>2024</u> RM
Bank interest income	68,283	76,213
Other income	12,801	-
Scrap sale	4,272	3,814
Management fee	-	311,400
Staff compensation	22,667	-
Bad debts recovered	13,734	-
Foreign exchange gain-trade	340,430	-
	<u>462,187</u>	<u>391,427</u>

17. LOSS BEFORE TAXATION

Loss before taxation has been determined after charging and (crediting) amongst other items the following: -

	<u>2025</u> RM	<u>2024</u> RM
Auditors' remuneration	16,250	16,250
Auditors' remuneration-Special purpose audit	9,000	14,000
Auditors' remuneration- (Over)/Underprovision in prior year	218	(700)
Provision for doubtful debts	49,003	37,244
Computer rental	10,112	12,218
Canopy rental	-	3,000
Crane rental	1,800	-
Director's remuneration	467,700	444,011
Depreciation	178,484	174,607
Office/Factory rental	192,000	167,226
(Gain)/Loss on exchange rate variance	(340,430)	39,246
Loss on exchange rate variance-unrealised non trade	11,404	2,492
Pallet truck rental	24,000	24,000

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18. TAXATION

Recognised in profit or loss:

	<u>2025</u> RM	<u>2024</u> RM
<b>Current tax expense</b>		
Malaysia Income Tax -current year	-	-
-over provision in prior year	-	(152,355)
	<u>-</u>	<u>(152,355)</u>
<b>Deferred tax expense</b>		
Deferred tax (Note 19)	(612,510)	(402,859)
Total deferred tax	<u>(612,510)</u>	<u>(402,859)</u>
<b>Total Tax Expense</b>	<u>(612,510)</u>	<u>(402,859)</u>

A reconciliation of income tax expenses applicable to loss before taxation at the statutory income tax rate to income tax expenses at the effective income tax rate of the Company is as follows:-

	<u>2025</u> RM	<u>2024</u> RM
Loss before Taxation	<u>(2,695,441)</u>	<u>(1,862,756)</u>
Tax at Malaysia tax rate of 24%	(646,906)	(447,061)
Effect of non-deductible expenses	119,129	56,394
Effect of non-taxable income	(84,999)	(5,443)
Effect of capital allowance utilised for the year	-	(708)
Unabsorbed tax losses for the year not recognised	612,777	396,818
Originating /(Reversing) of temporary differences	2,831	10,061
Over provision of deferred tax in prior years	<u>(615,342)</u>	<u>(412,920)</u>
<b>Tax Expense</b>	<u>(612,510)</u>	<u>(402,859)</u>

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19. DEFERRED TAX LIABILITIES

	<u>2025</u> RM	<u>2024</u> RM
Balance b/f	450,606	47,747
Recognised in profit or loss (note 18)	612,510	402,859
Balance c/f	<u>1,063,116</u>	<u>450,606</u>

20. STAFF COSTS

	<u>2025</u> RM	<u>2024</u> RM
Staff salaries and allowances	3,221,081	2,133,127
Staff refreshment	21,783	14,503
Staff welfare	613	5,382
Staff insurance	67,311	3,597
Staff medical	60,960	32,614
EPF and SOCSO	286,254	242,314
	<u>3,658,002</u>	<u>2,431,537</u>

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has no formal risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the directors.

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

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No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include interest rate risk, foreign currency risk, credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

21.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's exposure to interest rate risk arises primarily from its repayment of trade credit provided by its other supplier, the landlord for monthly rental. The risk is not material.

21.2 Foreign currency risk

The Company has transactional currency exposures arising from purchases and loan received that are denominated in a currency other than the functional currency of the Company.

Sensitivity analysis for foreign currency risk

At the reporting date, the Company's profit would have been approximately higher / lower to a possible 100 basis points change in exchange rates against RM shown below with all other variables held constant.

<u>Currency</u>	<u>2025</u> RM	<u>2024</u> RM
United States Dollar	<u>207,875</u> <u>207,875</u>	<u>193,320</u> <u>193,320</u>

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21.3 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises mainly from trade and other receivables. For other financial assets (including cash and bank balances), the Company minimize credit risk by dealing with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimizing losses incurred due to increased credit risk exposure. The Company trades with recognized and creditworthy third parties. Receivable balances are monitored on an ongoing basis to minimize the Company exposure to credit risk.

At balance sheet date, the carrying amounts of trade and other receivables and cash and bank balances represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risks.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy receivables. Cash and bank balances are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due and/or impaired.

21.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from holding company. In assessing the funding facilities, the management reviews its working capital requirements regularly.

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The table below summaries the maturity profile of the Company's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	<u>2025</u> RM	<u>2024</u> RM
Amount owing to holding company	17,630,458	16,585,255
Trade payables	5,070,591	6,507,654
Other payables and accruals	338,258	163,705
	<u>23,039,307</u>	<u>23,256,614</u>

The corresponding Company's financial assets:-

	<u>2025</u> RM	<u>2024</u> RM
Inventories	4,858,749	5,891,810
Advance to suppliers	-	139,440
Other receivables, deposits and prepayments	1,143,272	1,167,216
Trade receivables	8,823,677	10,214,891
Cash and bank balances	2,412,723	2,711,565
	<u>17,238,421</u>	<u>20,124,922</u>

## 22. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy working ratios in order to support its business and maximise shareholder value.

The Company's working capital comprises of inventories, receivables and cash, payables (including amounts owing to holding company), accruals and provisions stated on the statement of financial position. The Company manages its working capital structure and makes adjustment to it, in light of changes in economic conditions. To maintain or adjust the working capital structure, the Company may adjust the dividend payment to shareholders. No changes were made in the objectives, policies or processes during the current financial year.

The Company manages capital by regularly monitoring its current and expected liquidity requirements. The Company is not obliged to meet capital requirements, both internally and externally imposed.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025  
(Cont'd)

**23. FINANCIAL INSTRUMENTS**

Financial instruments are categorized as follows:-

- (a) Trade and other receivables ("TOR")
- (b) Fair value through profit or loss ("FVTPL")
  - Held for trading ("HFT"); and
- (c) Financial liabilities measured at amortised cost ("FL")

	Carrying amount RM	TOR RM	FVTPL – HFT RM	(FL) RM
<b>2025</b>				
<b>Financial assets</b>				
Trade and other receivables (net of GST claimable	9,061,630	9,061,630	-	-
Cash, bank balances and deposits	2,412,723	-	-	-
	<u>11,474,353</u>	<u>9,061,630</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Amount owing to holding co.	(17,630,458)	-	-	(17,630,458)
Trade and other payables	(5,408,849)	-	-	(5,408,849)
	<u>(23,039,307)</u>	<u>-</u>	<u>-</u>	<u>(23,039,307)</u>

	Carrying amount RM	TOR RM	FVTPL – HFT RM	(FL) RM
<b>2024</b>				
<b>Financial assets</b>				
Trade and other receivables (net of GST claimable)	10,456,539	10,456,539	-	-
Cash and bank balances	2,711,565	-	-	-
	<u>13,168,104</u>	<u>10,456,539</u>	<u>-</u>	<u>-</u>
<b>Financial liabilities</b>				
Amount owing to holding co.	(16,585,255)	-	-	(16,585,255)
Trade and other payables	(6,671,359)	-	-	(6,671,359)
	<u>(23,256,614)</u>	<u>-</u>	<u>-</u>	<u>(23,256,614)</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025  
(Cont'd)

24. SEGMENT WISE RESULTS, ASSETS AND LIABILITIES

	<u>2025</u> RM	<u>2024</u> RM
<b>Segment Results</b>		
Critical Power	(2,339,947)	(140,772)
EV	(355,494)	9,500
Less:		
Other unallocated expenditure	-	(2,119,097)
Unallocated income	-	387,613
<b>Total loss before tax</b>	<u>(2,695,441)</u>	<u>(1,862,756)</u>
	<u>2025</u> RM	<u>2024</u> RM
<b>Segment assets</b>		
Critical Power	16,454,111	17,260,673
EV	2,315,572	3,863,578
	<u>18,769,683</u>	<u>21,124,251</u>
	<u>2025</u> RM	<u>2024</u> RM
<b>Segment liabilities</b>		
Critical Power	22,020,556	22,455,960
EV	1,018,751	854,984
	<u>23,039,307</u>	<u>23,310,944</u>

25. PROVISIONS

*Legal Costs*

The Company took legal action against its receivables seeking damages for breach of contract, and for the delay in making payments. The cases are still ongoing and a provision has been set up to recognise the doubtful debts Note 5.

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NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2025  
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26. COMPARATIVE FIGURES

Certain items have been reclassified to conform to the current year's presentation.

27. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Company were authorised for issue by the Board of Directors on 29.04.2025.

Lodged By:  
ADISS CONSULTANTS SDN BHD  
Wisma ADISS, Udarama Complex  
No. 1-3A, Jalan 1/64A  
50350 Kuala Lumpur  
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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

	<u>2025</u> RM	<u>2024</u> RM
Sales	19,565,339	15,412,130
<u>Less: Cost of Sales</u>		
Opening stock	6,102,701	6,492,200
Project insurance	326	17,962
Purchases import	11,252,296	11,557,344
Purchase domestic	1,644,057	618,850
Custom duty and import tax	716,746	633,043
Import handling and clearance charges	239,101	135,285
Inward freight charges	72,263	26,375
Sub-Contractors-Integration and installation	1,343,183	583,485
Sub-Contractors-Rework	87,360	-
Trade credit insurance	53,126	74,290
Warranty refunded	-	(646,066)
	21,511,159	19,492,768
Less: Closing Stock	(6,096,735)	(6,102,701)
	(15,414,424)	(13,390,067)
Gross Profit	4,150,915	2,022,063
<u>Other Income</u>		
Bank interest	68,283	76,213
Other income	12,801	-
Scrap sales	4,272	3,814
Management fee	-	311,400
Staff compensation	22,667	-
Bad debts recovered	13,734	-
Foreign exchange gain-trade	340,430	-
	462,187	391,427

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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

(Cont'd)

Less: Administrative Expenses

Auditors' remuneration	16,250	16,250
Auditors' remuneration-Special purpose audit	9,000	14,000
Auditors' remuneration-(Over)/Under provision in prior year	218	(700)
Accounting support service	1,750	6,250
Director's remuneration	467,700	444,011
IT, technical and other professional fees	57,825	1,599
Other service fees	6,844	5
Payroll outsourcing fees	-	1,605
Payroll outsourcing fees-under/(over) provision in prior year	-	371
Secretarial fees and disbursements	1,800	5,156
Legal and consultancy fees	135,979	29,836
Taxation filing fees	9,096	5,476
	(706,462)	(523,859)

Less: Operating Expenses

Advertisement, exhibition and publicity	88,569	37,821
Bank charges	29,524	13,279
Computer rental	10,112	12,218
Consultancy fees	215,906	145,300
Customer support -repair and maintenance	-	720
Car rental	21,469	2,090
Canopy rental	-	3,000
Crane rental	1,800	-
Depreciation	178,484	174,607
Entertainment expenses	89,522	41,263
EPF and SOCSO	286,254	242,314
General expenses	13,548	1,964
Gifts	14,999	-
Loss on exchange rate variance	-	39,246
Loss on exchange rate variance-unrealised	11,404	2,492
License and credit management fees	23,458	12,383
Membership fees	-	2,194
Medical fee	60,960	32,614
Office equipment repair and maintenance	3,280	3,965
Office expenses	33,428	7,468
Office/Factory rental	192,000	167,226
Outward delivery charges	75,936	104,554
Pallet truck rental	24,000	24,000
Packaging and wrapping	1,781	1,174
Postage and courier	17,040	3,460
Printing and stationery	21,403	15,286
Provision for doubtful debt	49,003	37,244

HORIZON TELE SYSTEMS SDN BHD  
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DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

(Cont'd)

Provision for obsolete inventories	46,240	-
Product certification fees	-	624
R&D cost	643	23,711
Sample expenses	31,627	11,953
Sales commission	79,539	25,717
Small tools and parts	2,702	5,628
Staff refreshment	21,783	14,503
Staff welfare	613	5,382
Staff insurance	67,311	3,597
Staff salaries, annual wage supplement and allowances	3,221,081	2,133,127
Subscription	36,782	21,366
Telephone and internet	29,138	23,482
Training fees	270	830
Travelling expenses	408,595	190,464
Upkeep of premises	16,785	24,607
Upkeep and maintenance of elevator	6,480	6,360
Warehousing fees storage charges and rental	116,822	89,704
Warranty products	989,564	-
Electricity and water	62,226	43,450
	(6,602,081)	(3,752,387)
Loss Before Taxation	(2,695,441)	(1,862,756)

This schedule does not form part of the statutory audited Financial Statements.