

Registration No.: 201701013175 (1227340-V)

**Boulevard Motor Sdn. Bhd.**  
**(Incorporated in Malaysia)**

**Directors' Report**

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**Indemnity and insurance**

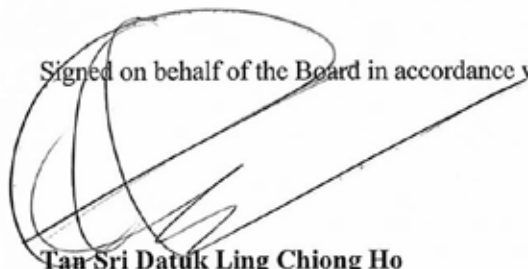
There was no indemnity given to or insurance effected for any director, officer or auditor of the Company during the financial year.

**Auditors**

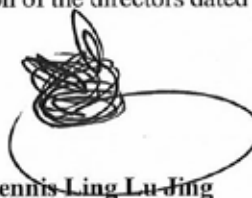
The auditors, Kevin How & Co PLT, have expressed their willingness to continue in office.

Details of auditors' remunerations are disclosed in Note 9 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 06 JUN 2024



**Tan Sri Datuk Ling Chiong Ho**



**Dennis Ling Lu Jing**


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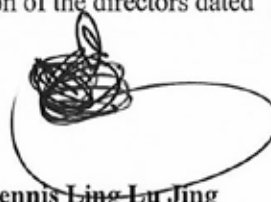
**Statement by Directors pursuant to Section 251(2) of the Companies Act 2016**

We, **Tan Sri Datuk Ling Chiong Ho** and **Dennis Ling Lu Jing**, being two of the directors of **Boulevard Motor Sdn. Bhd.**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 34 are drawn up in accordance with the 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 December 2023 and of its financial performance and its cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated **06 JUN 2024**



**Tan Sri Datuk Ling Chiong Ho**



**Dennis Ling Lu Jing**

**Statutory Declaration pursuant to Section 251(1)(b) of the Companies Act 2016**

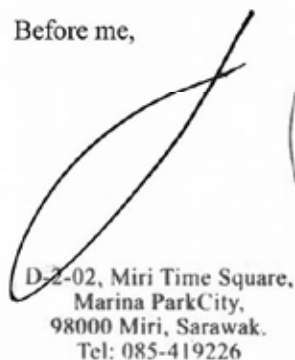
I, **Dennis Ling Lu Jing**, being the director primarily responsible for the financial management of **Boulevard Motor Sdn. Bhd.**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 34 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed **Dennis Ling Lu Jing** at Miri in the State of Sarawak on **06 JUN 2024**



**Dennis Ling Lu Jing**

Before me,



D-2-02, Miri Time Square,  
Marina ParkCity,  
98000 Miri, Sarawak.  
Tel: 085-419226





**Kevin How & Co PLT**

202406000002 (LLP0037524-LCA) & AF 1544  
Chartered Accountants  
A-2-27B, Miri Times Square  
Marina ParkCity  
98000 Miri  
Sarawak, Malaysia

Mailing Address :  
P.O.Box 1209,  
98008 Miri, Sarawak, Malaysia  
Phone : +6085 423881  
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**Independent Auditors' Report to the Members of  
Boulevard Motor Sdn. Bhd.  
(Incorporated in Malaysia)**

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**Report on the audit of the financial statements**

*Opinion*

We have audited the financial statements of **Boulevard Motor Sdn. Bhd.**, which comprise the statement of financial position as at 31 December 2023 of the Company, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with the 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 audit 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.

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Kevin How & Co PLT 202406000002 (LLP0037524-LCA) & AF 1544 was registered on 4 January 2024 and with effect from the date, Kevin How & Co (AF 1544), a conventional partnership was converted to a limited liability partnership.

■ Kota Kinabalu

■ Sandakan

■ Tawau

■ Miri

■ Bintulu



**Kevin How & Co PLT**  
202406000002 (LLP0037524-LCA) & AF 1544  
Chartered Accountants

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**Independent Auditors' Report to the Members of  
Boulevard Motor Sdn. Bhd. (contd.)**

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**Report on the audit of the financial statements (contd.)**

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

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

*Responsibilities of the directors for the financial statements*

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the 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.



**Kevin How & Co PLT**  
202406000002 (LLP0037524-LCA) & AF 1544  
Chartered Accountants

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**Independent Auditors' Report to the Members of  
Boulevard Motor Sdn. Bhd. (contd.)**

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**Report on the audit of the financial statements (contd.)**

*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 scepticism throughout the audit. We also:

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



**Kevin How & Co PLT**  
202406000002 (LLP0037524-LCA) & AF1544  
Chartered Accountants

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**Independent Auditors' Report to the Members of  
Boulevard Motor Sdn. Bhd. (contd.)**

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**Report on the audit of the financial statements (contd.)**

*Auditors' responsibilities for the audit of the financial statements (contd.)*

- evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

**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.

*KH & Co*

Kevin How & Co PLT  
202406000002 (LLP0037524-LCA) & AF1544  
Chartered Accountants

*Kevin How*

Datuk Kevin K. How  
00846/07/2024 J  
Chartered Accountant

Miri, Malaysia  
Date: 06 JUN 2024

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**Boulevard Motor Sdn. Bhd.**  
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**Statement of Comprehensive Income**  
**For the financial year ended 31 December 2023**

	Note	2023 RM	2022 RM
<b>Revenue</b>	5	614,545,389	558,604,808
Cost of sales		(556,628,645)	(514,814,840)
<b>Gross profit</b>		57,916,744	43,789,968
Other income	6	19,560,081	8,333,602
Selling and distribution expenses		(11,957,642)	(11,325,995)
Administrative expenses		(14,749,721)	(13,645,681)
<b>Operating profit</b>		50,769,462	27,151,894
Finance income	7	952,820	325,470
Finance costs	8	(477,403)	(599,309)
<b>Profit before tax</b>	9	51,244,879	26,878,055
Income tax expense	11	(12,419,544)	(6,181,476)
<b>Profit for the year, net of tax, representing total comprehensive income for the year</b>		<u>38,825,335</u>	<u>20,696,579</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Boulevard Motor Sdn. Bhd.**  
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**Statement of Financial Position**  
**As at 31 December 2023**

	Note	2023 RM	2022 RM
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	<u>20,586,774</u>	<u>19,770,721</u>
<b>Current assets</b>			
Inventories	13	17,674,913	9,412,616
Trade and other receivables	14	67,409,401	51,553,632
Other current assets	15	128,862	114,884
Cash and bank balances	16	40,394,119	32,817,544
		<u>125,607,295</u>	<u>93,898,676</u>
<b>Total assets</b>		<u><u>146,194,069</u></u>	<u><u>113,669,397</u></u>
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Loans and borrowings	17	3,196,448	3,196,448
Trade and other payables	18	52,819,508	52,159,642
Other current liabilities	19	122,566	126,564
Tax payable		5,070,575	3,131,353
		<u>61,209,097</u>	<u>58,614,007</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	3,477,704	4,676,192
Deferred tax liabilities	20	239,170	186,435
		<u>3,716,874</u>	<u>4,862,627</u>
<b>Total liabilities</b>		<u><u>64,925,971</u></u>	<u><u>63,476,634</u></u>
<b>Equity</b>			
Share capital	21	2,500,000	2,500,000
Retained earnings		78,768,098	47,692,763
<b>Total equity</b>		<u>81,268,098</u>	<u>50,192,763</u>
<b>Total equity and liabilities</b>		<u><u>146,194,069</u></u>	<u><u>113,669,397</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



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**Statement of Changes in Equity**  
**For the financial year ended 31 December 2023**

	Note	Share capital (Note 21) RM	Retained earnings RM	Total equity RM
<b>At 1 January 2021</b>		2,500,000	33,496,184	35,996,184
Total comprehensive income for the year		-	20,696,579	20,696,579
Dividends	22	-	(6,500,000)	(6,500,000)
<b>At 31 December 2022</b>		2,500,000	47,692,763	50,192,763
Total comprehensive income for the year		-	38,825,335	38,825,335
Dividends	22	-	(7,750,000)	(7,750,000)
<b>At 31 December 2023</b>		2,500,000	78,768,098	81,268,098

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Statement of Cash Flows**  
**For the financial year ended 31 December 2023**

	Note	2023 RM	2022 RM
<b>Operating activities</b>			
Profit before tax		51,244,879	26,878,055
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	9	1,412,547	1,379,644
Gain on disposal of property, plant and equipment	6	(885,362)	(1,346,819)
Property, plant and equipment written off	9	93	1,087
Interest income	7	(952,820)	(325,470)
Interest expenses	8	477,403	599,309
<b>Operating cash flows before changes in working capital</b>		<u>51,296,740</u>	<u>27,185,806</u>
Increase in inventories		(8,262,297)	(6,581,717)
Increase in trade and other receivables		(16,295,245)	(16,072,747)
Increase in other current assets		(13,978)	(55,393)
Increase in trade and other payables		659,866	7,147,842
(Decrease)/Increase in other current liabilities		(3,998)	23,649
Net change in holding company balances		(4,000,000)	(1,493,922)
Net change in related companies balances		439,476	948,635
<b>Cash flows from operations</b>		<u>23,820,564</u>	<u>11,102,153</u>
Income tax paid, net of refunded		(10,427,587)	(4,677,511)
Interest received		952,820	325,470
Interest paid		(477,403)	(599,309)
<b>Net cash flows from operating activities</b>		<u>13,868,394</u>	<u>6,150,803</u>
<b>Investing activities</b>			
Proceeds from disposal of property, plant and equipment		1,690,960	2,512,511
Acquisition of property, plant and equipment	12	(3,034,291)	(2,367,236)
<b>Net cash flows (used in)/from investing activities</b>		<u>(1,343,331)</u>	<u>145,275</u>
<b>Financing activities</b>			
Dividend paid on ordinary shares		(3,750,000)	(1,594,550)
Repayment of term loans		(1,198,488)	(1,194,039)
<b>Net cash flows used in financing activities</b>		<u>(4,948,488)</u>	<u>(2,788,589)</u>

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**Statement of Cash Flows**  
**For the financial year ended 31 December 2023 (contd.)**

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	Note	2023 RM	2022 RM
Net increase in cash and cash equivalents		7,576,575	3,507,489
Cash and cash equivalents at the beginning of the year		32,817,544	29,310,055
Cash and cash equivalents at the end of the year	16	<u>40,394,119</u>	<u>32,817,544</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Boulevard Motor Sdn. Bhd.**  
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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**1. Corporate information**

The Company is a private limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Company is located at Lot 515, Jalan Datuk Edward Jeli, Piasau Industrial Estate, 98000 Miri, Sarawak.

The Company is principally engaged in car dealership, sales of spare parts, repairing and servicing of motor vehicles. There have been no significant change in the nature of the principal activities during the financial year.

The Company is a wholly-owned subsidiary of Dwi Bumijaya Sdn. Bhd., a company incorporated in Malaysia.

**2. Basis of preparation**

These financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company have been prepared on the historical cost basis except otherwise disclosed in the notes below. The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

**3. Summary of significant accounting policies**

**3.1 Property, plant and equipment**

Property, plant and equipment are stated at cost less depreciation and impairment.

Depreciation of property, plant and equipment is provided for on a straight line basis to write off the cost of the asset to its residual value over the estimated useful lives, which are as follows:

Short term leasehold land and buildings	25 - 40 years
Motor vehicles	3 - 5 years
Plant and machinery	6.5 years
Equipment, furniture and fittings	3 - 6.5 years

Capital work-in-progress are not depreciated as these assets are not yet available for use.

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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**3. Summary of significant accounting policies (contd.)**

**3.1 Property, plant and equipment (contd.)**

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The resultant gain or loss recognised in profit or loss.

**3.2 Inventories**

Inventories are stated at the lower of cost and selling price less costs to complete and sell.

Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

- Spare parts: purchase cost on weighted average method
- Motor vehicles: based on specific identification

Inventories are assessed for impairment at each reporting date by comparing the carrying amount of each item of inventory (or group of similar items) with its selling price less costs to complete and sell. If an item of inventory (or group of similar items) is impaired, its carrying amount is reduced to its selling price less costs to complete and sell, and the impairment loss is recognised immediately in profit or loss.

**3.3 Impairment of non-financial assets**

At each reporting date, non-financial assets are reviewed to determine whether there is any indication of impairment. If there is an indication of impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss. The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**3. Summary of significant accounting policies (contd.)**

**3.4 Financial instruments**

**Initial recognition and measurement**

The Company recognises a financial instrument (including derivative instruments) in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at the transaction price, including transaction costs, except for financial instruments subsequently measured at fair value through profit or loss for which the transaction costs are expensed to profit or loss when incurred.

If the transaction constitutes a financing arrangement, the financial instrument is measured at the present value of future payments discounted at market rate for similar debt instrument.

**Subsequent measurement**

When the following conditions are met, the financial instruments shall be measured at amortised cost using the effective interest rate ("EIR") method:

- returns to the holders are determinable;
- no contractual provision which would result in the holder losing the principal amount or the attributable interest; and
- prepayment options which is not contingent upon future events.

All other financial instruments not measured at amortised cost are measured at fair value with changes in fair value recognised in profit or loss.

**Impairment of financial assets**

Other than those financial assets measured at fair value through profit or loss, all financial assets are assessed at each reporting date for objective evidence of impairment. Where such evidence exist, impairment loss is measured as follows:

- financial asset measured at amortised cost, the impairment loss recognised is the difference between the carrying amount of the asset and the present value of the cash flow of the assets discounted at its original EIR; and
- financial asset measured at cost less impairment, the impairment loss recognised is the difference between the carrying amount of the asset less the amount receivable had the asset been sold at the reporting date.

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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**3. Summary of significant accounting policies (contd.)**

**3.4 Financial instruments (contd.)**

**Impairment of financial assets (contd.)**

All impairment losses are recognised in profit or loss.

**Derecognition of financial instruments**

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expires, or when the Company transfers the contractual rights to receive cash flows without retaining significant risks and rewards of ownership and ceases to be involved in the control of the financial asset transferred.

A financial liability is derecognised when it is legally extinguished, which is either when the obligation specified in the contract is discharged or cancelled or expires. A substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

**3.5 Fair value measurement**

For assets, liabilities and equity instruments (whether financial or non-financial) that require fair value measurement or disclosure, the Company uses the following measurement hierarchy:

- highest priority to quoted prices in active markets provided that price is observable. The active market is the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability; and for which the Company can enter into a transaction for the asset or liability at the price in that market at the measurement date;
- in the absence of an active market price, the price observed from a recent binding agreement or a recent transaction negotiated at arm's length and where necessary, adjusted for relevant economic conditions and time value of money; and
- in the absence of both market price and observable inputs, a fair value measurement of an item is estimated by an established valuation technique using unobservable inputs, including internally developed assumptions that are reasonable and supportable.

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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**3. Summary of significant accounting policies (contd.)**

**3.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term deposits with licensed bank (with original maturities of three months or less) that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in value.

**3.7 Provisions**

Provision is recognised when a reliable estimate can be made of a present obligation (legal or constructive) arising from a past event and for which a probable outflow of economic resources will be required to settle the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**3.8 Income tax**

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.



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**Notes to the Financial Statements**  
**For the financial year ended 31 December 2023**

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**3. Summary of significant accounting policies (contd.)**

**3.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property, plant and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

**3.10 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 is measured at the fair value of the consideration receivable, net of taxes, returns and discounts.

The specific recognition criteria described below must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

**Rendering of services**

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

**3.11 Borrowing costs**

All borrowing costs are recognised in profit or loss in the period in which they incurred based on the EIR method.

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**3. Summary of significant accounting policies (contd.)**

**3.12 Employee benefits**

**Short-term employee benefits**

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Bonus payments are recognised when, and only when, the Company has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

**Defined contribution plans**

The Company makes contributions to the Employees' Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised in the profit or loss in the period in which the related service is performed.

**4. Key judgements and estimations**

There are no significant judgement or estimates applied in the preparation of these financial statements.

**5. Revenue**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Sales of motor vehicles	562,200,423	511,258,188
Sales of spare parts and services	52,344,966	47,346,620
	<u>614,545,389</u>	<u>558,604,808</u>

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<b>6. Other income</b>		
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Commissions	4,985,612	4,680,640
Dealer subsidy	180,688	138,618
Gain on disposal of property, plant and equipment	885,362	1,346,819
Management fee	-	312,000
Rental income	14,400	12,800
Sundry income	13,494,019	1,842,725
	<u>19,560,081</u>	<u>8,333,602</u>
<b>7. Finance income</b>		
Interest income from:		
- current account	576,747	26,713
- interest charged to related companies	41,986	59,604
- short term deposits with licensed banks	334,087	239,153
	<u>952,820</u>	<u>325,470</u>
<b>8. Finance costs</b>		
Interest expenses on:		
- bank guarantee	1,920	4,965
- interest charged by holding company	-	16,508
- interest charged by a company in which certain directors have interests	-	148,618
- revolving credit	101,797	81,837
- term loans	268,809	258,698
- others	104,877	88,683
	<u>477,403</u>	<u>599,309</u>

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<b>9. Profit before tax</b>		
	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
The following amounts have been included in arriving at profit before tax:		
Employee benefits expense (Note 10)	19,639,779	18,643,873
Auditors' remunerations	20,000	20,000
Depreciation of property, plant and equipment (Note 12)	1,412,547	1,379,644
Property, plant and equipment written off	93	1,087
Rental expenses	1,462,899	1,437,398
	<u>19,639,779</u>	<u>18,643,873</u>

<b>10. Employee benefits expense</b>		
Salaries and wages and other related expenses	17,332,016	16,429,856
Contributions to defined contribution plan	2,141,160	2,059,236
Social security contributions	166,603	154,781
	<u>19,639,779</u>	<u>18,643,873</u>

Included in employee benefits expense of the Company is the director's remuneration as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Salaries and other emoluments	182,000	282,000
Contributions to defined contribution plan	21,840	33,840
Social security contributions	1,159	1,002
	<u>204,999</u>	<u>316,842</u>

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**11. Income tax expense**

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Current income tax:		
Malaysian income tax	12,365,991	6,443,853
Under/(Over)provision in prior years	818	(347,123)
	<u>12,366,809</u>	<u>6,096,730</u>
Deferred income tax (Note 20):		
Origination of temporary differences	51,045	80,967
Underprovision in prior years	1,690	3,779
	<u>52,735</u>	<u>84,746</u>
Total income tax expense	<u>12,419,544</u>	<u>6,181,476</u>

Current income tax is calculated at the statutory tax rate of 24% (2022: 24%) of the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	<b>2023</b>	<b>2022</b>
	<b>RM</b>	<b>RM</b>
Profit before tax	<u>51,244,879</u>	<u>26,878,055</u>
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	12,298,771	6,450,733
Adjustments:		
Expenses not deductible for tax purposes	145,713	130,515
Effect of income not subject to tax	(27,448)	(56,428)
Under/(Over)provision of income tax in prior years	818	(347,123)
Underprovision of deferred tax in prior years	1,690	3,779
Income tax expense for the year	<u>12,419,544</u>	<u>6,181,476</u>

**APPENDIX III(B): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR FOR FYE 31 DECEMBER 2023 (CONT'D)**

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12. Property, plant and equipment	Short term leasehold land and buildings RM	Motor vehicles RM	Plant and machinery RM	Equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
<b>Cost</b>						
At 1 January 2022	11,500,000	4,623,522	570,206	446,804	7,534,088	24,674,620
Additions	-	2,281,891	30,592	54,753	-	2,367,236
Disposals	-	(2,582,244)	-	(4,363)	-	(2,586,607)
Written off	-	-	(2,066)	(1,956)	-	(4,022)
At 31 December 2022 and 1 January 2023	11,500,000	4,323,169	598,732	495,238	7,534,088	24,451,227
Additions	71,600	2,728,008	50,974	183,709	-	3,034,291
Disposals	-	(1,761,040)	-	-	-	(1,761,040)
Written off	-	-	(356)	(3)	-	(359)
At 31 December 2023	11,571,600	5,290,137	649,350	678,944	7,534,088	25,724,119

**APPENDIX III(B): AUDITED FINANCIAL STATEMENTS OF BOULEVARD MOTOR FOR FYE 31 DECEMBER 2023 (CONT'D)**

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12. Property, plant and equipment (contd.)	Short term leasehold land and buildings RM	Motor vehicles RM	Plant and machinery RM	Equipment, furniture and fittings RM	Capital work-in-progress RM	Total RM
<b>Accumulated depreciation</b>						
At 1 January 2022	1,603,026	2,582,618	288,547	250,521	-	4,724,712
Depreciation charge for the year (Note 9)	408,569	827,618	87,443	56,014	-	1,379,644
Disposals	-	(1,418,079)	-	(2,836)	-	(1,420,915)
Written off	-	-	(1,238)	(1,697)	-	(2,935)
At 31 December 2022 and 1 January 2023	2,011,595	1,992,157	374,752	302,002	-	4,680,506
Depreciation charge for the year (Note 9)	410,358	820,894	94,030	87,265	-	1,412,547
Disposals	-	(955,442)	-	-	-	(955,442)
Written off	-	-	(266)	-	-	(266)
At 31 December 2023	2,421,953	1,857,609	468,516	389,267	-	5,137,345
<b>Net carrying amount</b>						
At 31 December 2022	9,488,405	2,331,012	223,980	193,236	7,534,088	19,770,721
At 31 December 2023	9,149,647	3,432,528	180,834	289,677	7,534,088	20,586,774