I SYNERGY HOLDINGS BERHAD

(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE PERIOD FROM
1 JUNE 2015 (DATE OF CONSOLIDATION) TO
30 JUNE 2015

RICHARD HO & ASSOCIATES (AF 1600)
CHARTERED ACCOUNTANTS

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE PERIOD FROM
1 JUNE 2015 (DATE OF CONSOLIDATION) TO
30 JUNE 2015

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors submit their first report on the consolidated entity (referred to herein as the Group) consisting I Synergy International (M) Sdn. Bhd. for the half financial year ended 30 June 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holdings. There has been no significant change in the principal activity during the financial period.

RESULTS

	Group RM	Company RM
Net loss for the financial period	(292,464)	(24,451)

In the opinion of the Directors, the results of the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

REVIEW OF OPERATIONS

The consolidated financial statements for the financial period 2015 have been prepared from the date of consolidation on 1 June 2015 to 30 June 2015. The Group revenue in one month ended 30 June 2015 was RM2,797,859. I Synergy International (M) Sdn. Bhd. being the operational company reported one month loss after tax of RM240,234. However, I Synergy Holdings Berhad is the investment holding company in Malaysia incurred total expenses of RM24,451, mainly due to expenses incurred related to the NSX listing on 31 August 2015. This resulted in Group net losses of RM292,464 in 2015.

RESERVES AND PROVISIONS

No material transfer to or from reserves or provisions were made other than as disclosed in the financial statements.

DIVIDEND

The Directors do not recommend any dividend in respect of the current financial period ended 30 June 2015.

ISSUE OF SHARES AND OPTIONS

On the date of incorporation, the Company issues 200 ordinary shares at RM0.02 each as subscribers' shares. During the half-yearly financial period, the Company has increased its authorised share capital by issuing 480,000,000 of ordinary shares at RM0.02 each and the paid up capital was 249,999,800 at RM0.02 each.

No debenture was issued, and no options to take up unissued shares were granted during the financial year, and at the end of the financial year, no options over unissued shares of the Company were outstanding.

DIRECTORS

The Directors in office since the date of incorporation:

DATO' TEO CHEE HONG	(Named in Articles)
ONG HAN KEONG	(Appointed on 15.4.15)
CHU CHUNG PIOW	(Appointed on 15.4.15)
ONG SIW HUT	(Named in Articles, resigned on 16.4.15)

The shareholdings of Directors holding office at the end of the financial year and their interest in the shares of the Company were as follows:

	Number of ordinary shares of RM0.02 each			
	At 13.5.15	Acquired	Disposed	At 30.6.15
DATO' TEO CHEE HONG	100	249,997,400	(82,597,500)	167,400,000
ONG HAN KEONG	-	10,050,000	-	10,050,000
CHU CHUNG PIOW	-	10,050,000	-	10,050,000

DIRECTORS' BENEFITS

Neither during nor at the end of the financial period was the Company a party to any arrangements whose object is to enable Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the date of incorporation, no Director of the Company has received or become entitle to receive a benefit by reason of a contract made by the Company or related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

OTHER STATUTORY INFORMATION

Before the financial statements of the Company were made out, the Directors took reasonable steps:

a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts have been written off and that adequate allowance has been made for doubtful debts, and

b) to ensure that any current assets other than the debts which were unlikely to realise in the ordinary course of business as shown in the accounting records of the Company have been written down to an amount which they might be expected so to realise.

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

a) which would render the amount written off for bad debts or the allowance for doubtful debts inadequate to any substantial extent, or

b) which would render the values attributed to current assets in the financial statements of the Company misleading, or

c) the adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with this report of financial statements which would render any amount stated in the financial statements misleading.

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

a) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liability of any other person, or

b) any contingent liability of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:

a) no contingent or other liabilities have become enforceable or are likely to become enforceable within the succeeding period of twelve months after the end of the financial period which, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

b) in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the Company's operations for the financial period in which this report is made, has arisen.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under section 307C of the Corporations Act, 2001 in Australia is set out on page 6 for the half financial year ended 30 June 2015.

COMPANY NO. 1138715 - H

AUDITORS

The Auditors, Messrs **RICHARD HO & ASSOCIATES**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the Directors,

....

DATO' TEO CHEE HONG
Director

....

ONG HAN KEONG
Director

Petaling Jaya

Date : 22 SEP 2015

COMPANY NO. 1138715 - H

STATEMENT BY DIRECTORS
(Pursuant to Section 169(15) of the Companies Act, 1965)

We, **DATO' TEO CHEE HONG** and **ONG HAN KEONG**, being the Directors of **I SYNERGY HOLDINGD BERHAD**, do hereby state that the financial statements set out on pages 9 to 26 are properly drawn up in accordance with the provisions of the Companies Act, 1965 and the Financial Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30 June 2015 and of the result, changes in equity and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors

....
DATO' TEO CHEE HONG
Director

....
ONG HAN KEONG
Director

Date: 22 SEP 2015

STATUTORY DECLARATION
(Pursuant to Section 169(15) of the Companies Act, 1965)

I, **DATO' TEO CHEE HONG**, being the Director primarily responsible for the financial management of **I SYNERGY HOLDINGS BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 9 to 26, are correct and I make this solemn declaration conscientiously believing the same to be true by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Petaling Jaya)
Selangor on 22 SEP 2015)

....
DATO' TEO CHEE HONG

Before me,

PESURUHJAYA SUMPAH
No : B185
Nama: NG SAY HUNG
MALAYSIA

No. 69A, Jalan SS21/37
Damansara Utama (Up Town)
47400 Petaling Jaya, Selangor D.E

RICHARD HO & ASSOCIATES (AF 1600)
Chartered Accountants

COMPANY NO. 1138715 - H

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 IN AUSTRALIA TO THE DIRECTORS I SYNERGY HOLDINGS BERHAD

(Incorporated in Malaysia)

We declare that, to the best of my knowledge and belief, during the half financial year ended 30 June 2015, there have been no:

(i) contraventions of the auditors' independence requirements as set out in the Corporations Act, 2001 in Australia in relation to the review.

(ii) contraventions of any applicable code of professional conduct in relation to the audit.

RICHARD HO & ASSOCIATES
Firm No. AF 1600
CHARTERED ACCOUNTANTS

HO SAM TECK
Approval No. 2660/07/17 (J)

Date: 22 September 2015

No. 11-1-1, Jalan Medan Putra 3, Medan Putra Business Centre, Bandar Sri Menjalara, 52200 Kuala Lumpur.
Tel : 03-6277 2054

RICHARD HO & ASSOCIATES (AF 1600)
Chartered Accountants

COMPANY NO. 1138715 - H

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

Report of the Financial Statements

We were engaged to audit the consolidated financial statements of I SYNERGY HOLDINGS BERHAD, which comprise the half-yearly statement of financial position as at 30 June 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flow for the half financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out in pages 9 to 26.

Directors' Responsibility to the Financial Statements

The Directors of the Company and its subsidiary are responsible for the preparation and fair presentation of the financial statements in accordance with Financial Reporting Standards and Companies Act, 1965 in Malaysia. The responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the financial statements 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 Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group as at 30 June 2015 and of its financial performance and cash flows for the financial year ended in accordance with Financial Reporting Standards and the requirements of the Companies Act 1965, in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965, in Malaysia, we also report that in our opinion the accounting and other records and the register required by the Act to be kept by the Group have been properly kept in accordance with the provisions of the Act.

OTHER REPORTING RESPONSIBILITIES

Our audit was made for the purpose of forming an opinion on the financial statements as a whole. We have extended our review to the financial statements of I Synergy International (M) Sdn. Bhd., for the half-yearly period ended on 30 June 2015, for the consolidation purpose, but do not express an opinion on the financial statements for such period.

OTHER MATTERS

This report is made solely to the members of the Group, as a body, in accordance with Section 174 of the Companies Act 1965, in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

RICHARD HO & ASSOCIATES
Firm No. AF 1600
CHARTERED ACCOUNTANTS

HO SAM TECK
Approval No. 2660/07/17 (J)

Date: 22 September 2015

No. 11-1-1, Jalan Medan Putra 3, Medan Putra Business Centre, Bandar Sri Menjalara, 52200 Kuala Lumpur.
Tel : 03-6277 2054

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Group 2015 RM	Company 2015 RM
NON CURRENT ASSETS			
Plant and equipment	4	1,104,591	-
Investment in subsidiary	5	-	5,000,000
Goodwill	6	9,714,239	-
Deferred expenditure		42,067,366	
CURRENT ASSETS			
Inventories	7	17,119	-
Trade receivables	8	630,982	-
Other receivables, deposits and prepayment	9	7,668,914	-
Cash and bank balances		7,921,858	-
		16,238,873	-
CURRENT LIABILITIES			
Trade creditors		37,514	-
Other payables and accruals	10	7,728,246	30,451
Hire purchase payables	11	232,677	-
		7,998,437	30,451
NET CURRENT LIABILITIES		8,240,436	(30,451)
		61,126,632	4,969,549
FINANCED BY:			
SHARE CAPITAL	12	5,000,000	5,000,000
ACCUMULATED LOSS		(291,634)	(30,451)
SHAREHOLDERS' DEFICIT		4,708,366	4,969,549
NON CURRENT LIABILITIES			
Deferred income		56,418,266	-
		61,126,632	4,969,549

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

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1 JUNE 2015 (DATE OF CONSOLIDATION) TO 30 JUNE 2015

	Note	Group 2015 RM	Company 2015 RM
REVENUE	13	2,797,859	-
DIRECT COST		(2,035,153)	-
GROSS PROFIT		762,706	-
OTHER INCOME		47,933	-
SELLING AND DISTRIBUTION EXPENSES		(738,087)	-
STAFF COST		(160,198)	-
ADMINISTRATIVE EXPENSES		(204,267)	(24,451)
FINANCE CHARGES		(551)	-
LOSS BEFORE TAXATION	14	(292,464)	(24,451)
TAXATION	15	-	-
NET LOSS FOR THE FINANCIAL PERIOD		(292,464)	(24,451)

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

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FROM 1 JUNE 2015 (DATE OF CONSOLIDATION) TO 30 JUNE 2015

Group

	Share Capital RM	Accumulated loss RM	Total RM
At 1 June 2015	5,000,000	-	5,000,000
Net loss for the financial period	-	(292,464)	(292,464)
At 30 June 2015	5,000,000	(292,464)	4,707,536

Company

	Share Capital RM	Accumulated loss RM	Total RM
At 1 June 2015	5,000,000		5,000,000
Net loss for the financial period		(24,451)	(24,451)
At 30 June 2015	5,000,000	(24,451)	4,975,549

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

COMPANY NO. 1138715 - H

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CASH FLOWS
FROM 1 JUNE 2015 (DATE OF CONSOLIDATION) TO 30 JUNE 2015

	Group 2015 RM	Company 2015 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(292,464)	(24,451)
Adjustement for:		
Depreciation of plant and equipment	19,274	-
Deferred income	744,248	-
Loss on disposal of plant and equipment	33,462	
Hire purchase interest expense	551	-
Interest received	(20,232)	-
Operating loss before working capital changes	484,839	(24,451)
Decrease in inventory	7,784	
Increase in receivables	(236,412)	
Increase in payables	831,158	24,451
Increase in amount due from a related companies	(3,211,082)	-
Cash generated from operating activities	(2,123,713)	-
Interest received	20,232	
Hire purchase interest paid	(551)	-
Net cash used in operating activities	(2,104,032)	-
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of plant and equipment	116,038	-
Net cash from acquisition of subsidiary	10,478,738	
Purchase of plant and equipment	(410,920)	-
Net cash generated from investing activities	10,183,856	-
CASH FLOW FROM FINANCING ACTIVITIES		
Net cash used in financing activities:		
Repayment of hire purchase payable	(157,967)	-
NET INCREASE IN CASH AND CASH EQUIVALENT	7,921,857	-
CASH AND CASH EQUIVALENT AT BEGINNING OF THE FINANCIAL YEAR	-	-
CASH AND CASH EQUIVALENT AT END OF THE FINANCIAL YEAR	7,921,857	-
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	7,921,857	-

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

1. CORPORATE INFORMATION

The principal activities of the Company is investment holding and its subsidiary involves in the business of business development and planning management consultants, advisors to service and resource providers for commercial industry. There has been no significant change in the nature of the activities during the financial year.

The Company and its subsidiary are private limited companies, incorporated and domiciled in Malaysia.

The registered office of the Group is located at 15, Jalan 12/12, 46200 Petaling Jaya, Selangor.

The principal place of business of the Group is located at 1-1, Jalan Tasik Utama 4, Medan Niaga Tasik Damai, Lake Fields Sg. Besi, 57100 Kuala Lumpur.

Other than the Directors, the Group has 14 employees during the half-yearly financial period ended 30 June 2015.

The consolidated financial statements of the Group were approved and authorised by the Board of Directors for issue on 22 September 2015.

Acquisition of I Synergy International (M) Sdn. Bhd.

On 31 May 2015, the Company acquired 100% of the shares of I Synergy International (M) Sdn. Bhd. in exchange for 250,000,000 units of share of its ordinary shares at RM0.02 each. The purpose of this acquisition was to provide the Company with a vehicle to facilitate the listing in NSX. I Synergy International (M) Sdn. Bhd. is principally engaged in business development and planning management consultants, advisors to service and resource providers for commercial industry.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, Interpretation and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011 - 2013 Cycle)*
- Amendments to MFRS 2, *Share-based payment (Annual Improvements 2010 - 2012 Cycle)*
- Amendments to MFRS 3, *Business Combination (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)*
- Amendments to MFRS 8, Operating Segments (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 13, Fair Value Measurement (Annual Improvements 2010 - 2012 Cycle and 2011 - 2013 Cycle)
- Amendments to MFRS 116, Property, Plant and Equipment (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 119, Employees Benefits - Defined Benefits Plan: Employee Contribution
- Amendments to MFRS 124, Related Party Disclosures (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 138, Intangible Assets (Annual Improvements 2010 - 2012 Cycle)
- Amendments to MFRS 140, Investment Property (Annual Improvements 2011 - 2013 Cycle)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2016

- Amendments to MFRS 5, *Non-current Assets Held for Sales and Discontinued Operations (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 7, *Financial Instruments: Disclosures (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 10, *Consolidated Financial Statements and* MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Asset between an Investor and its Associate or Joint Venture*
- Amendments to MFRS 10, *Consolidated Financial Statements*, MFRS 12, *Disclosure of Interests in Other Entities* and MFRS 128, *Investment in Associates and Joint Venture - Investment Entities: Applying the Consolidation Exception*
- Amendments to MFRS 11, *Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations*
- MFRS 14, *Regulatory Deferral Accounts*
- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure Initiative*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 138, *Intangible Assets - Clarification of Acceptable Methods of Depreciation and Amortisation*
- Amendments to MFRS 116, *Property, Plant and Equipment* and MFRS 141, *Agriculture - Agriculture: Bearer Plants*
- Amendments to MFRS 119, *Employee Benefits (Annual Improvements 2012 - 2014 Cycle)*
- Amendments to MFRS 127, *Separate Financial Statements - Equity Method in Separate Financial Statements*
- Amendments to MFRS 134, *Interim Financial Reporting (Annual Improvements 2012 - 2014 Cycle)*

MFRS, Interpretations and amendments effective for annual period beginning on or after 1 January 2018

- MFRS 9, *Financial Instrument (2014)*

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2015 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2014.

- from the annual period beginning on 1 January 2016 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2016.

- from the annual period beginning on 1 January 2017 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2017.

- from the annual period beginning on 1 January 2018 for those accounting standards, amendments or interpretations that are effective for annual periods beginning on or after 1 July 2018.

The initial application of the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company except as mentioned below:

MFRS 9, *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 9.

Basis of measurement

The financial statements have been prepared on the historical cost basis other than those disclosed in the notes to the financial statements.

Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information is presented in RM.

Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual sales may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and any future periods affected.

There are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 3 - valuation of property, plant and equipment
- Note 4 - valuation of investment properties
- Note 6 - impairment of intangible assets
- Note 7 - impairment of investment in subsidiary
- Note 9 - valuation of other investments
- Note 10 - recognition of deferred tax assets
- Note 11 - impairment of hire purchase receivables
- Note 12 - impairment of finance lease receivables
- Note 13 - impairment of trade receivables
- Note 14 - valuation of inventories
- Note 19 - valuation of employee benefits

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

i) Subsidiary

Subsidiary is entity controlled by the Company. The financial statements of subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

ii) Business combination

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition, the Group measured the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree, plus
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(b) Financial Instruments

Financial instruments are recognised in the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expenses or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group 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.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

Financial instruments recognised in the statement of financial position are disclosed in the individual policy statement associated with each items.

i) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to maturity investments, loans and receivables financial assets, or available for sale financial assets, as appropriate.

- Financial Assets at Fair Value Through Profit and Loss

  As at the end of the reporting period, there were no financial assets classified under this category.

- Held-to maturity Investments

  As at the end of the reporting period, there were no financial assets classified under this category.

- Loan and Receivables Financial Assets

  Amount owing by trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- Available-for-sale Financial Assets

  As at the end of the reporting period, there were no financial assets classified under this category.

ii) Financial Liabilities

All financial liabilities are initially stated at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorized as fair value through profit and loss.

Fair value through profit or loss category comprised financial liabilities that are either held for trading or are designed to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

(c) <u>Plant and Equipment</u>

Plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any

Depreciation is calculated under the straight-line method to write off the depreciation amount of the assets over their estimated useful lives.

Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates use for this purpose are :-

	Rate
Computer, hand phone and printer	20%
Furniture and fittings	10%
Merchant equipment	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Signage	10%
Software	20%

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the equipment.

Subsequent costs are included I the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognized. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred. Cost also comprised the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

An item of equipment s derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit and loss.

(d) <u>Impairment</u>

i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit and loss), are assessed at the end of each reporting period where these is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

If in a subsequent period, 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 through profit and loss to the extent that the carrying not exceed when the amortised cost would have been had the impairment not been recognised.

ii) <u>Impairment of Non-Financial Assets</u>

The carrying value of assets, other than those to which FRS 136 – Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately.

When there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the assets that would have been determined (net of amortization and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(e) <u>Cash and Cash Equivalents</u>

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, deposits, bank overdraft and short-term, highly liquid investment that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) <u>Employee Benefits</u>

i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

ii) Defined Contribution Plans

The Company's contributions to defined contribution plans are recognised in profit or loss in the period to which they related. Once the contributions have been paid, the Company has no further liability in respect of the defined contribution plans.

(g) <u>Revenue and Other Income</u>

i) Deferred Income

Deferred income represents membership fee from affiliates received in advance.

(ii) Rendering of Services

Membership fees are recognised on accrual basis. Membership fees received in advance are recognised when they are due.

iii) Interest Income

Interest income is recognised using the effective interest method, and accrued on a time basis.

(h) Deferred Expenditure

Deferred expenditure represents prepaid commission attributed to membership fees received in advance.

(i) Hire Purchase Transaction

Assets acquired under hire purchase agreement are included in property, plant and equipment and the capital element of the hire purchase commitments is shown as hire purchase creditors. The capital element of the hire purchase instalments is applied to reduce the outstanding obligation and the interest elements is charged to the income statements so as to give a constant periodic rate of interest on the outstanding liability at the end of each accounting period. Assets acquired under hire purchase are depreciated over the useful lives of equivalent owned assets.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

(k) 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, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, 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 measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

The carrying amount of the deferred tax assets are reviewed at each reporting date, and the carrying amount is reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

4. PLANT AND EQUIPMENT

Group	At 1.6.15	Additions	Disposals	At 30.6.15
	RM	RM	RM	RM
At cost:				
Computer, handphone and printer	14,852	-	-	14,852
Furniture and fittings	25,122	-	-	25,122
Merchant equipment	141,750	22,900	-	164,650
Motor vehicles	696,681	370,800	(230,000)	837,481
Office equipment	34,012	4,500	-	38,512
Renovation	99,150	1,695	-	100,845
Signage	2,400	-	-	2,400
Software	94,725	11,025	-	105,750
	1,108,692	410,920	(230,000)	1,289,612
Group				
Accumulated depreciation:				
Computer, handphone and printer	2,722	248	-	2,970
Furniture and fittings	2,725	209	-	2,934
Merchant equipment	9,466	1,372	-	10,838
Motor vehicles	203,644	13,958	(80,500)	137,102
Office equipment	2,852	358	-	3,210
Renovation	5,943	1,163	-	7,106
Signage	260	20	-	280
Software	18,635	1,946	-	20,581
	246,247	19,274	(80,500)	185,021

	Net book value 2015 RM	Depreciation 2014 RM
Computer, handphone and printer	11,882	-
Furniture and fittings	22,188	-
Merchant equipment	153,812	-
Motor vehicles	700,379	-
Office equipment	35,302	-
Renovation	93,739	-
Signage	2,120	-
Software	85,169	-
	1,104591	-

Certain motor vehicles with net book value of RM382,428 (2013: RM214,667) are purchased under a hire purchase arrangement.

5. INVESTMENT IN SUBSIDIARY

	Company 2015 RM
Unquoted share at cost	5,000,000

The details of the subsidiary are as follows:

Name of Company	Effective equity interest 2015 %	Country of incorporation	Principal activities
Direct			
I Synergy International (M) Sdn. Bhd.	100.00	Malaysia	Business development

6. GOODWILL ON CONSOLIDATION

	2015 RM
At 30 June 2015	9,714,239

7. INVENTORIES

	Group 2015 RM	Company 2015 RM
Merchant product - at cost	17,119	-

8. TRADE RECEIVABLES

	Group 2015 RM	Company 2015 RM
Trade receivables	630,982	-

The normal trade credit terms granted to the customers ranges from 30 to 90 days. All the trade receivables are denominated in Ringgit Malaysia.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENT

	Group 2015 RM	Company 2015 RM
Other receivables	49,528,836	-
Deposits	205,071	-
Prepayment	2,373	-
	49,736,280	-

10. OTHER PAYABLES AND ACCRUAL

	Group 2015 RM	Company 2015 RM
Other payables	49,247,175	-
Deposit received	225,450	-
	49,472,625	-

11. HIRE PURCHASE PAYABLES

	Group RM	Company RM
Total payables	293,664	-
Less: Future interest charges	(60,987)	-
	232,677	-
Repayable as follows:		
Current - not later than one financial year	232,677	-
More than one year but not later than five years	-	-
	232,677	-
Interest rate per annum (%)	2.3 - 2.5	

12. SHARE CAPITAL

	Group & Company 2015 No. of shares	Group & Company 2015 RM
Authorised:		
Ordinary shares at RM0.02 each		
At 1 June 2015 (Date of consolidation)	20,000,000	400,000
Addition	480,000,000	9,600,000
At 30 June 2015	500,000,000	10,000,000
Issued and fully paid:		
Ordinary shares at RM0.02 each		
At 1 June 2015 (Date of consolidation)	200	4
Addition	249,999,800	4,999,996
At 30 June 2015	250,000,000	5,000,000

13. REVENUE

Revenue represents the membership fees earned and invoiced value of merchandise sales.

14. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:-

	Group 2015 RM	Company 2015 RM
Depreciation of plant and equipment	18,768	-
Directors' remuneration	17,002	-
Hire purchase interest	551	-
Loss on disposal of plant and equipment	33,462	-
Rental of premises	35,390	-
Staff cost	143,196	-
And after crediting:		
Interest income	20,232	-
Rental income	18,859	-
	39,091	-
Staff cost comprises:		
Salaries, bonuses, commissions and allowances	140,158	-

15. TAXATION

The Company has unutilised business losses and unabsorbed capital allowances amounting to RM3,100,000 and RM212,000 respectively as at 30 June 2015, which will be carried forward to offset against future taxable income.

16. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's financial risk management policy seeks to ensure adequate financial resources are available for the development of the Company's business while managing its financial risk.

The main areas of financial risks faced by the Company and the policy in respect of the major areas of treasury activity are set out as follows:

a) Interest rate risk

The Company has no significant interest rate risk as the Company has no substantial long-term interest bearing debts.

b) Price risk

The Company does not have any quoted investments and hence is not exposed to price risk.

c) Market risk

The Company has in place policies to manage the Company's exposure to fluctuation in the price of key materials used in the Company's operation.

d) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit valuations are performed on all customers requiring credit over a certain amount or informal credit valuations are performed on all customers on a case to case basis.