

# **I SYNERGY HOLDINGS BERHAD**

(Incorporated In Malaysia)  
Company No: 1138715 - H

## **FINANCIAL REPORT** for the 6-month financial period ended 30 June 2016

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## **STATEMENT BY DIRECTORS**

We, Dato' Teo Chee Hong and Ong Han Keong, being two of the directors of I Synergy Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages      to      are drawn up in accordance Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Accounting Standards, IAS 34: Interim Financial Reporting so as to give a true and fair view of the financial position of the Group and of the Company at 30 June 2016 and of their financial performance and cash flows for the 6-month financial period ended on that date.

Signed in accordance with a resolution of the directors dated 13 SEP 2016



**Dato' Teo Chee Hong**



**Ong Han Keong**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
I SYNERGY HOLDINGS BERHAD**

(Incorporated in Malaysia)  
Company No : 1138715 - H

**Introduction**

We have reviewed the accompanying statements of financial position of I Synergy Holdings Berhad as of 30 June 2016 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the 6-month financial period then ended and a summary of significant accounting policies and other explanatory information, as set out on pages        to

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Malaysian Financial Reporting Standard, MFRS 134: Interim Financial Reporting and International Accounting Standard, IAS 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

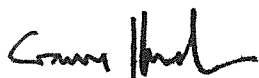
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Group and of the Company as at 30 June 2016, and of the financial performance and cash flows of the Group and of the Company for the 6-month financial period ended 30 June 2016 in accordance with Malaysian Financial Reporting Standard, MFRS 134: Interim Financial Reporting and International Accounting Standard, IAS 34: Interim Financial Reporting.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS  
I SYNERGY HOLDINGS BERHAD (CONT'D)**

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**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with NSX Listing Rules 6.10 of Section IIA and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**Crowe Horwath**  
Firm No: AF 1018  
Chartered Accountants

13 SEP 2016

Kuala Lumpur

**I SYNERGY HOLDINGS BERHAD**

(Incorporated in Malaysia)

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**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016**

	Note	The Group 30.6.2016 RM	31.12.2015 RM	The Company 30.6.2016 RM	31.12.2015 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Investment in a subsidiary	5	-	-	5,000,000	5,000,000
Equipment	6	2,965,989	1,559,568	-	-
		<u>2,965,989</u>	<u>1,559,568</u>	<u>5,000,000</u>	<u>5,000,000</u>
<b>CURRENT ASSETS</b>					
Inventories	7	18,132	26,920	-	-
Trade receivables	8	960,204	1,738,527	-	-
Other receivables, deposits and prepayments	9	1,173,949	1,346,886	-	-
Amount owing by related parties	10	399,053	-	351,833	-
Tax refundable		49,928	-	-	-
Cash and cash equivalents	11	21,080,513	13,829,429	36,791	-
		<u>23,681,779</u>	<u>16,941,762</u>	<u>388,624</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>26,647,768</u>	<u>18,501,330</u>	<u>5,388,624</u>	<u>5,000,000</u>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	12	5,000,000	5,000,000	5,000,000	5,000,000
Merger deficit	13	(4,900,000)	(4,900,000)	-	-
Accumulated losses		(7,768,207)	(6,053,024)	(506,345)	(423,239)
<b>TOTAL EQUITY</b>		<u>(7,668,207)</u>	<u>(5,953,024)</u>	<u>4,493,655</u>	<u>4,576,761</u>

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**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2016 (CONT'D)**

		The Group		The Company	
	Note	30.6.2016 RM	31.12.2015 RM	30.6.2016 RM	31.12.2015 RM
<b>NON-CURRENT LIABILITIES</b>					
Hire purchase payable	14	162,516	173,463	-	-
Deferred revenue	15	20,150,858	17,691,917	-	-
		<u>20,313,374</u>	<u>17,865,380</u>	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>					
Trade payables	16	84,149	87,469	-	-
Other payables and accruals	17	4,987,721	5,236,190	-	40,154
Amount owing to a subsidiary	18	-	-	894,969	383,085
Amount owing to a director	19	-	7,744	-	-
Amount owing to a related party	20	8,899,426	1,216,855	-	-
Hire purchase payable	14	31,305	40,716	-	-
		<u>14,002,601</u>	<u>6,588,974</u>	<u>894,969</u>	<u>423,239</u>
<b>TOTAL LIABILITIES</b>		<u>34,315,975</u>	<u>24,454,354</u>	<u>894,969</u>	<u>423,239</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>26,647,768</u>	<u>18,501,330</u>	<u>5,388,624</u>	<u>5,000,000</u>

**I SYNERGY HOLDINGS BERHAD**

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**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2016**

		The Group		The Company	
		1.1.2016 to 30.6.2016 RM	1.1.2015 to 30.6.2015 RM	1.1.2016 to 30.6.2015 RM	3.4.2015 to 30.6.2016 RM
	Note				
REVENUE	20	29,632,337	30,575,691	-	-
COST OF SALES		(29,330,497)	(30,497,844)	-	-
GROSS PROFIT		301,840	77,847	-	-
OTHER INCOME		480,430	202,221	1,896	-
SELLING AND DISTRIBUTION EXPENSES		(125,282)	(118,452)	-	-
ADMINISTRATIVE EXPENSES		(2,318,061)	(1,762,079)	(85,002)	(30,451)
FINANCE COST		(4,182)	(5,210)	-	-
LOSS BEFORE TAXATION	21	(1,665,255)	(1,605,673)	(83,106)	(30,451)
INCOME TAX EXPENSES		(49,928)	-	-	-
LOSS AFTER TAXATION		(1,715,183)	(1,605,673)	(83,106)	(30,451)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL PERIOD		(1,715,183)	(1,605,673)	(83,106)	(30,451)
LOSS AFTER TAXATION ATTRIBUTABLE TO:- Owners of the Company		(1,715,183)	(1,605,673)	(83,106)	(30,451)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:- Owners of the Company		(1,715,183)	(1,605,673)	(83,106)	(30,451)

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**STATEMENTS OF CHANGES IN EQUITY  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2016**

The Group	Share Capital RM	Accumulated Losses RM	Merger Deficit RM	Total RM
Balance at 1.1.2015	5,000,000	(2,668,955)	(4,900,000)	(2,568,955)
Loss after taxation/Total comprehensive expenses for the financial period	-	(1,605,673)	-	(1,605,673)
Balance at 30.06.2015/1.7.2015	5,000,000	(4,274,628)	(4,900,000)	(4,174,628)
Loss after taxation/Total comprehensive expenses for the financial period	-	(1,778,396)	-	(1,778,396)
Balance at 31.12.2015/1.1.2016	5,000,000	(6,053,024)	(4,900,000)	(5,953,024)
Loss after taxation/Total comprehensive expenses for the financial period	-	(1,715,183)	-	(1,715,183)
Balance at 30.06.2016	5,000,000	(7,768,207)	(4,900,000)	(7,668,207)

The Company	Share Capital RM	Accumulated Losses RM	Merger Deficit RM	Total RM
Balance at 3.4.2015 (date of incorporation)	5,000,000	-	-	5,000,000
Loss after taxation/Total comprehensive expenses for the financial period	-	(30,451)	-	(30,451)
Balance at 30.06.2015/1.7.2015	5,000,000	(30,451)	-	4,969,549
Loss after taxation/Total comprehensive expenses for the financial period	-	(392,788)	-	(392,788)
Balance at 31.12.2015/1.1.2016	5,000,000	(423,239)	-	4,576,761
Loss after taxation/Total comprehensive expenses for the financial period	-	(83,106)	-	(83,106)
Balance at 30.06.2016	5,000,000	(506,345)	-	4,493,655



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**STATEMENTS OF CASH FLOWS  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2016**

	The Group		The Company	
	1.1.2016 to 30.6.2016 RM	1.1.2015 to 30.6.2015 RM	1.1.2016 to 30.6.2016 RM	3.4.2015 to 30.6.2015 RM
<b>CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES</b>				
Loss for the financial period	(1,665,255)	(1,605,673)	(83,106)	(30,451)
Adjustments for:-				
Depreciation of equipment	206,620	96,241	-	-
Hire purchase interest	3,306	5,210	-	-
Loss on disposal of equipment	3	33,462	-	-
Interest income	(269,395)	(77,051)	-	-
Operating loss before working capital changes	(1,724,721)	(1,547,811)	(83,106)	(30,451)
Increase in inventories	8,788	(7,028)	-	-
Decrease in trade and other receivables	951,260	203,120	-	-
(Decrease)/Increase in trade and other payables	(251,789)	1,495,972	(40,154)	30,451
Increase/(Decrease) in amount owing to a related party	7,682,571	(5,139,373)	-	-
Increase in deferred revenue	2,458,941	3,377,616	-	-
<b>CASH FROM/(FOR) OPERATIONS</b>	<b>9,125,050</b>	<b>(1,617,504)</b>	<b>(123,260)</b>	<b>-</b>
Interest paid	(3,306)	(5,210)	-	-
Income tax paid	(99,856)	-	-	-
<b>NET CASH FROM/(FOR) OPERATING ACTIVITIES</b>	<b>9,021,888</b>	<b>(1,622,714)</b>	<b>(123,260)</b>	<b>-</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>				
Advances to related parties	(399,053)	-	(351,833)	-
Interest received	269,395	77,051	-	-
Proceeds from disposal of equipment	173	116,038	-	-
Purchase of equipment	(1,613,217)	(514,713)	-	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(1,742,702)</b>	<b>(321,624)</b>	<b>(351,833)</b>	<b>-</b>

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**STATEMENT OF CASH FLOWS  
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2016 (CONT'D)**

	The Group		The Company	
	1.1.2016 to 30.6.2016 RM	1.1.2015 to 30.6.2015 RM	1.1.2016 to 30.6.2016 RM	3.4.2015 to 30.6.2015 RM
CASH (FOR)/FROM FINANCING ACTIVITIES				
Advances from a subsidiary	-	-	511,884	-
Advances from a director	(7,744)	51,315	-	-
Repayment of hire purchase payables	(20,358)	(187,441)	-	-
Repayment to related party	-	(1,148,865)	-	-
NET CASH (FOR)/FROM FINANCING ACTIVITIES	(28,102)	(1,284,991)	511,884	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,251,084	(3,229,329)	36,791	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	13,829,429	11,151,186	-	-
CASH AND CASH EQUIVALENTS AT END OF THE END OF THE FINANCIAL PERIOD	21,080,513	7,921,857	36,791	-