(Incorporated in Malaysia)

# DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

## **31 DECEMBER 2013**

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ELAINE TAN AI LIN Advocate & Solicitor

Selangor T/979

E6/2491/YYP/NSS

(Incorporated in Malaysia)

## DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the Company for the financial year ended 31 December 2013.

#### PRINCIPAL ACTIVITIES

The principal activities of the Company are organisation, management and promotion of conferences and events.

There have been no significant changes in the nature of these activities during the financial year.

## **RESULTS OF OPERATIONS**

Net profit for the financial year

RM61,959

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.

#### RESERVES AND PROVISIONS

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

#### DIVIDEND

Ø

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend any payment of dividend for the current financial year.

#### **DIRECTORS**

The directors in office since the date of the last report are:-

Ching Keong Ngok Suen Kar Nee (f) 11

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations are as follows: -

## Number of Ordinary Shares of RM1 each

	At <u>1.1.2013</u>	Bought	Sold	At 31.12.2013
The Company				
Ching Keong Ngok	260,000	-	<b>-</b>	260,000
Suen Kar Nee (f)	240,000	-	•	240,000
Related corporations	Nil	Nil	Nil	Nil

Neither at the end of, nor at any time during the financial year did there subsist any arrangements, to which the Company is a party, whereby directors might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no director has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with any 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 were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business 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 which would render:

- (a) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent; or
- (b) the values attributed to current assets in the financial statements of the Company misleading; or

(c) 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 in this report or 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 liabilities 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 liability has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Company to meet its obligations when they fall due; and
- (b) in the interval between the end of the financial year and the date of this report, no item, transaction or event of a material and unusual nature likely to affect substantially the results of the Company's operations for the financial year in which this report is made, has arisen.

#### SIGNIFICANT EVENT

The significant event is disclosed in Note 15 to the financial statements.

#### **AUDITORS**

The auditors. Messrs Ng & Partners, have indicated their willingness to continue in office.

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

**DIRECTOR (CHING KEONG NGOK)** 

DIRECTOR (SUEN KAR NEE (f))

Kuala Lumpur

Dated: - 5 DEC 2014

### STATEMENT BY DIRECTORS

We, the undersigned, being two of the directors of

E-PLUS ENTERTAINMENT PRODUCTIONS (M) SDN. BHD.

do hereby state that, in the opinion of the directors, the financial statements set out on pages 7 to 18 are drawn up in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the financial year then ended.

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

Director (CHING KEONG NGOK)

Dated: - 5 DEC 2014

STATUTORY DECLARATION

I, Ching Keong Ngok (I/C No. 730302-04-5007) being the director primarily responsible for the financial management of E-PLUS ENTERTAINMENT PRODUCTIONS (M) SDN. BHD.

do solemnly and sincerely declare that the financial statements set out on pages 7 to 18 are, to the best of my knowledge and belief, 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 at Kuala Lumpur in the Federal Territory on

- 5 DEC 2014

**CHING KEONG NGOK** 

Director (SUEN KAR NEE (f))

No W533
Name: YM TENGRU FARIDDUDIN
BIN TENGRU SULAIMAN

205, bengunan Loke Yew
4. Jin Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

#### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

# E-PLUS ENTERTAINMENT PRODUCTIONS (M) SDN. BHD. (Incorporated in Malaysia)

## Report on the Financial Statements

We have audited the financial statements as set out on pages 7 to 18 which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, 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 about 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 judgment, 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 entity's preparation of financial statements that give a true and fair view 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 entity'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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

# E-PLUS ENTERTAINMENT PRODUCTIONS (M) SDN. BHD. (cont'd) (Incorporated in Malaysia)

#### Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the financial year then ended in accordance with Private Entity 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, save for the non-compliance to Section 143(1), Section 165(4) and Section 169(1) of the Companies 1965, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

#### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 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.

**NG & PARTNERS** 

Firm Number: AF: 0091 CHARTERED ACCOUNTANTS

Dated: - 5 DEC 2014

SHA THIAM LU

Approval Number: 1998/12/15(J)

CHARTERED ACCOUNTANT

Room 402, Bangunan Loke Yew, No. 4, Jalan Mahkamah Persekutuan, 50050 Kuala

Tel: 03-26925477, 26925906

Fax: 03-26912681

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BALANCE SHEET AS AT 31 DECEMBER	2013	2012	
	Note	RM	RM
NON-CURRENT ASSETS Property, plant and equipment	3	489,816	581,096
CURRENT ASSETS  Trade receivables Other receivables Tax recoverable Cash and bank balances  CURRENT LIABILITIES	4	841,630 150,062 703,816 1,695,508	1,058,052 69,132 19,167 71,397 1,217,748
Trade payables Other payables Hire purchase payables Amount due to director Tax llabilities  NET CURRENT ASSETS	5 6 7 8	371,417 266,878 105,772 684,503 71,090 1,499,660 195,848 685,664	290,023 289,394 80,150 458,964 19,588 1,138,119 79,629 660,725
FINANCED BY: Share capital Accumulated loss Shareholders' equity	9	500,000 (58,097) 441,903	500,000 (120,056) 379,944
NON-CURRENT LIABILITIES  Hire purchase payables  Deferred tax liabilities	7 10	239,411 4,350 243,761 685,664	270,980 9,801 280,781 660,725

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## INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Note	2013 RM	2012 RM	
Revenue Direct costs	11 2%	5,600,157 (3,440,347)	4,006,569 (2,215,227)	แน- ใ•
Gross profit Selling and marketing expenses Administration expenses		2,159,810 (151,392) (1,845,305)	1,791,342 (260,626) (1,335,948)	
Operating profit Finance costs - hire purchase interest	12	163,113 (18,944)	194,768 (14,898)	
Profit before taxation Income tax expense	13	144,169 (82,210)	179,870 (76,910)	
Net profit for the financial year		61,959	. 102,960	

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## STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Share capital RM	Accumulated loss RM	Total RM
At 1 January 2012	150,000	(223,016)	(73,016)
Issue of share capital	350,000	-	350,000
Net profit for the financial year	•	102,960	102,960
At 31 December 2012	500,000	(120,056)	379,944
At 1 January 2013	500,000	(120,056)	379,944
Net profit for the financial year		, 61,959	61,959
At 31 December 2013	500,000	(58,097)	441,903

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## CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	144,169	179,870
Adjustments for :		.=
Depreciation Interest expense	195,198 18,944	174,644 14,898
Operating profit before working capital changes	358,311	369,412
Inventories Receivables Payables Amount due to director	135,492 58,878 225,539	45,405 (595,169) (178,922) 142,923
Cash generated from/(used in) operations	778,220	(216 <sub>1</sub> 351)
Interest paid Tax paid	(18,944) (16,992)	(14,898) (9,912)
Net cash inflow/(outflow) from operating activities	742,284	(241,161)
CASH FLOWS FROM INVESTING ACTIVITIES	•	
Purchase of property, plant and equipment	(14,918)	(232,822)
Net cash outflow from investing activities	(14,918)	(232,822)
CASH FLOWS FROM FINANCING ACTIVITIES		,
Proceeds from issuance of shares Repayment of hire purchase payables	(94,947)	350,000 (58,475)
Net cash (outflow)/inflow from financing activities	(94,947)	291,525
Net increase/(decrease) in cash and cash equivalents	632,419	(182,458)
Cash and cash equivalents brought forward	71,397	253,855
Cash and cash equivalents carried forward	703,816	71,397

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

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# NOTES TO THE FINANCIAL STATEMENTS -- 31 DECEMBER 2013

## 1. CORPORATE INFORMATION

The principal activities of the Company are organisation, management and promotion of conferences and events.

There have been no significant changes in the nature of these activities during the financial year.

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

The registered office of the Company is at 401-A, Bangunan Loke Yew, No.4 , Jalan Mahkamah Persekutuan, 50050 Kuala Lumpur.

The principal place of business of the Company is at B806, Block B, Kelana Square, No. 17, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor D.

The total number of employees at the end of the financial year was 17(2012 : 15).

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on \_\_ 5 DEC 2014

## 2. SIGNIFICANT ACCOUNTING POLICIES

## 2.1 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis and in accordance with Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

## 2.2 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

A gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the income statement.

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. The principal annual rates used are as follows:-

	•		20%
Equipment			2070
Office equipment			20%
			10%
Furniture and fittings			
Motor vehicles			20%

#### 2.3 RECEIVABLES

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

## 2.4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and bank balances, deposits and other short term highly liquid investments that are readily convertible to cash and are subject to insignificant risk of changes in value.

# 2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The carrying amounts of the Company's assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment.

Where there is an indication of impairment, the carrying amount of such assets are written down immediately to the respective recoverable amounts. The impairment loss is recognised in the income statement immediately.

Reversal of impairment losses recognised in prior financial years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. Reversals of impairment loss are recognised as an income immediately in the income statement.

## 2.6 PAYABLES

Payables are stated at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether billed or unbilled.

## 2.7 HIRE PURCHASE

Property, plant and equipment held under hire purchases are treated as if they had been purchased at cost at the commencement of the hire purchase agreements. These cost are included under property, plant and equipment and depreciation is provided accordingly. The corresponding obligations under hire purchases are included under liabilities.

Hire purchase payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total hire purchase commitments and the fair value of the assets acquired, are recognised in the income statement over the term of the relevant hire purchase so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

## 2.8 INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rate enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## 2.9 EMPLOYEE BENEFITS

Short term employee benefits

Wages, salaries and bonuses are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company.

Defined contribution plans

As required by law, the Company makes contributions to the national pension scheme, the Employee Provident Fund ("EPF). Such contributions are recognised as an expense in the income statement as incurred.

# 2.10 REVENUE RECOGNITION

Income from organisation, management and promotion of conferences and events is recognised upon performance of services.

# 2.11 EQUITY INSTRUMENTS

Ordinary shares are classified as equity.

Interim dividends to shareholders are recognised in equity in the period in which they are declared. Final dividends are recognised upon the approval of shareholders in a general meeting.

# 3. PROPERTY, PLANT AND EQUIPMENT

•	•		
COST	Balance at 1,1,2013 RM	Additions RM	Balance at 31.12.2013 RM
Equipment Office equipment Furniture and fittings Motor vehicles	13,637 100,623 1,027 776,834	3,666 2,540 2,220 95,492	17,303 103,163 3,247 872,326
	892,121	103,918	996,039
ACCUMULATED DEPRECIATION	٠	Observa for	
	Balance at 1.1.2013 RM	Charge for the financial year RM	Balance at 31.12.2013 RM
Equipment Office equipment Furniture and fittings Motor vehicles	5,455 63,006 704 241,860	3,460 16,950 324 174,464	8,915 79,956 1,028 416,324
MOTOL AGUICIOS	311,025	195,198	506,223
	NET BOO Balance at 31,12,2013 RM	OK VALUE Balance at 31.12.2012 RM	Depreciation charge for 2012 RM
Equipment Office equipment Furniture and fittings Motor vehicles	8,388 23,207 2,219 456,002	8,182 37,617 323 534,974	2,728 16,447 102 155,367
Motor remoies	489,816	581,096	174,644

	2013 RM	2012 RM
Aggregate cost of property, plant and equipment acquired during the financial year by way of: - cash payments - hire purchase arrangement	14,918 89,000 103,918	232,822 185,000 417,822

Included in property, plant and equipment are motor vehicles held under hire purchase arrangements with net book value of RM456,001 (2012 :RM 528,974).

## 4. OTHER RECEIVABLES

OTHER REGULADOLLS	2013 RM	2012 RM
Amount due from companies in which the directors own substantial interest * Deposits Other receivables * Prepayment	58,419 77,580 14,063	20,227 15,380 33,525
	150,062	69,132

<sup>\*</sup> These are unsecured, interest free and have no fixed terms of repayment.

## 5. TRADE PAYABLES

INADE LATINGE	2013 RM	2012 RM
Amount due to a company in which the directors own substantial interest * Trade payables	262,928 108,489	262,928 27,095
	371,417	290,023
	<del></del>	

<sup>\*</sup> This is trade in nature and is to be settled in cash.

## 6. OTHER PAYABLES

OTHER PAYABLES		2013 RM	2012 RM
Accruals Other payables *	,	90,470 176,408	75,701 213,693
		266,878	289,394
	<del></del>		

<sup>\*</sup> These are unsecured, interest free and have no fixed terms of repayment.

7.

HIRE PURCHASE PAYABLES	2013 RM	2012 RM
Minimum hire purchase payments:  Payable within 1 financial year  Payable between 1 to 5 financial years  Future finance charges  Present value of hire purchase liabilities	118,872 254,604 373,476 (28,293) 345,183	98,868 288,507 387,375 (36,245) 351,130
Repayable as follows:  Current liabilities: Payable within 1 financial year	105,772	80,150
Non-current liabilities : Payable between 1 to 5 financial years	239,411 345,183	270,980 351,130

The average interest rates implicit in the hire purchase are 4.2% (2012 : 4.2%) per annum.

# 8. AMOUNT DUE TO DIRECTOR

This is unsecured, interest free and has no fixed terms of repayment.

9.	SHARE CAPITAL	2013 . No. of s	2012 hares	2013 RM	2012 RM
	Ordinary shares of RM1 each:		·	•	
	Authorised	500,000	500,000	500,000	500,000
	Issued and fully paid :				
	Balance at beginning Additions	500,000	150,000 <sup>1</sup> 350,000	500,000	150,000 350,000
	Balance at end	500,000	500,000	500,000	500,000

# 10. DEFERRED TAX LIABILITIES

DEFERRED FAX CIADICITIES	2013 RM	2012 RM
Balance at beginning Recognised in income statement (Note 13)	9,801 (5,451)	(37,609) 47,410
Balance at end	4,350	9,801

The recognised deferred tax liabilities are in respect of capital allowance in excess of depreciation.

## 11. REVENUE

Revenue represents the invoiced value of services rendered, net of discounts.

12. OPERATING PROFIT	2013 RM	2012 RM
This is arrived at after charging:		
Auditors' remuneration - statutory audit Depreciation Directors' emoluments other than fees Illre of equipment Hire of motor vehicles Loss on foreign exchange - realised Rental of office equipment Rental of exhibition space Rental of premises Rental of store	5,500 195,198 279,576 441,978 16,450 - 6,660 - 24,000 9,100	4,500 174,644 200,901 314,098 14,917 528 4,240 - 24,000 8,400
Staff costs :		
Wages, salaries and allowances Defined contribution plan	930,164 109,892	708,177 83,193
	1,040,056	791,370
Monetary value of benefits-in-kind received by directors	41,350	30,487

#### 13 INCOME TAX EXPENSE

. INCOME TAX EXPENSE	2013 RM	2012 RM
Malaysian income tax : - current financial year - prior financial year underprovision Deferred taxation (Note 10)	87,600 61 (5,451)	29,500 - 47,410
	82,210	76,910

The Company is subject to income tax at the rate of 20% (2012: 20%) on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000 income tax rate at 25% (2012: 25%) is applicable.

A reconciliation of income tax expense applicable to profit or loss before taxation at the applicable income tax rate to income tax expense at the effective income tax rate is as follows:

. ·	2013 RM	2012 RM
Profit before taxation	144,169	179,870
Taxation at applicable tax rate of 20% (2012 : 20%) Non-deductible expenses Prior financial year income tax underprovision	28,834 53,315 61	35,974 40,936
Tax expense	82,210	76,910
14. CAPITAL COMMITMENTS	2013 RM	2012 RM
Capital expenditure not provided for in the financial statements		
Authorised and contracted for	468,000	

## 15. SIGNIFICANT EVENT

On 29 July 2013, the Company entered into the Sale and Purchase Agreements for the purchase of 2 units long term leasehold shop office at a total consideration of RM520,000. The transactions have not completed during the current financial year.

