

INNO MIND WORKS SDN. BHD.

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(Incorporated in Malaysia)

FINANCIAL STATEMENTS AS AT 31 DECEMBER 2014

TOGETHER WITH

DIRECTORS' AND AUDITORS' REPORTS

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K.W. ONG & PARTNERS.

CHARTERED ACCOUNTANTS (M)

INNO MIND WORKS SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER, 2014

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INNO MIND WORKS SDN. BHD.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2014

The directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31st December, 2014.

PRINCIPAL ACTIVITY

The Company is principally engaged in event organizer, advertisement and media industries. There has been no significant change in the nature of this activity during the financial year.

RESULT

	RM
Net profit for the year	10,029
Accumulated loss brought forward	(355,747)
Accumulated loss carried forward	<u>(345,718)</u>

DIVIDEND

No dividend has been paid, declared or proposed since the date of last report.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, the Company did not grant any option to any person to take up the unissued shares of the Company.

SHARE OPTION

During the financial year, the Company did not grant any option to any person to take up the unissued shares of the Company.

DIRECTORS

The directors who served since the date of last report are:

Dato Yip Chin Hwee	
Datin Lee Su Chin (f)	(Resigned on 7.1.2015; Appointed on 21.4.2015)
Chong Pat Leong	(Appointed on 7.1.2015; resigned on 2.3.2015)
Shereen Teng Phaik Yan (f)	(Appointed on 7.1.2015; resigned on 21.4.2015)
Teh Kean Thea	(Appointed on 2.3.2015; resigned on 21.4.2015)

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2014

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' shareholdings, particulars of directors' interests in the shares in the Company of directors who held office at the end of the financial year are as follows:

	Number of Ordinary shares of RM1 each			Balance at 31.12.2014
	Balance at 1.1.2014	Bought	Sold	
Dato Yip Chin Hwee	70,000	-	-	70,000
Datin Lee Su Chin (f)	30,000	-	-	30,000

DIRECTORS' BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

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

OTHER STATUTORY INFORMATION

Before the Income Statement and Balance Sheet of the Company were made out, the directors took reasonable steps:

- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and that there are no doubtful debts have been provided for and there is no known bad debts; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2014

OTHER STATUTORY INFORMATION (cont'd)

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

- i) that would require any other amount to be written off as bad debts or provided for as doubtful debts;
- ii) that would render the values attributed to the current assets in the financial statements of the Company misleading;
- iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Company misleading or inappropriate; and
- iv) not otherwise dealt with in this report or in the financial statements of the Company, that would render any amount stated in the respective financial statements misleading.

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

- i) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

As at 31st December, 2014, the net current liabilities exceed its current assets by RM1,317,252 (2013: RM584,774) and capital deficit of RM245,718 (2013: RM255,747). In the opinion of the directors, the Company will not be able to meet its obligations when they fall due unless continuous financial support is being made available to the Company.

In the opinion of the directors:

- i) the results of the operations of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

INNO MIND WORKS SDN. BHD.
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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2014

AUDITORS

The Auditors, K.W. ONG & PARTNERS, Chartered Accountants, have indicated their willingness to continue in office.

On behalf of the Board



DATO YIP CHIN HWEE
Director

DATIN LEE SU CHIN (F)
Director

Dated: 10 JUN 2015
Kuala Lumpur

STATEMENT BY DIRECTORS

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

We, DATO YIP CHIN HWEE and DATIN LEE SU CHIN (F), the two directors of INNO MIND WORKS SDN. BHD., state that, in our opinion, the accompanying balance sheet, income statement, changes in equity and cash flow statement, together with the notes thereon, have been made out in accordance with the applicable approved Accounting Standards and are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31st December, 2014 and of the results and cash flow of the Company for the financial year ended on that date.

On behalf of the Board,



DATO YIP CHIN HWEE Director



DATIN LEE SU CHIN (F) Director

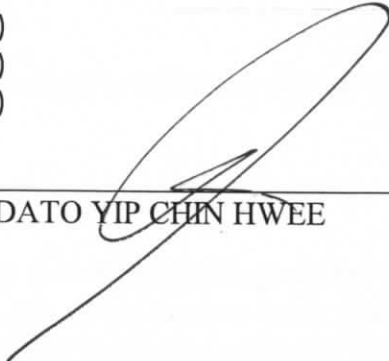
Dated : 10 JUN 2015
Kuala Lumpur

STATUTORY DECLARATION

(Pursuant to Section 169(16) of the Companies Act, 1965)

I, DATO YIP CHIN HWEE, the director primarily responsible for the financial management of INNO MIND WORKS SDN. BHD., do solemnly and sincerely declare that the accompanying balance sheet, income statement, changes in equity and cash flow statement, together with the notes thereto 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 Declaration Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
Wilayah Persekutuan on 10 JUN 2015)



DATO YIP CHIN HWEE

Before me,



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNO MIND WORKS SDN. BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of INNO MIND WORKS SDN. BHD., which comprise the balance sheet as at 31st December, 2014, 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 notes, as set out on pages 8 to 20.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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 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 Company'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 Company'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.

Emphasis of Matter

Without qualifying our opinion, we would like to draw your attention that the Company has prepared its financial statements by applying the going concern basis. The applicability of this basis is dependent upon the Company's ability to operate profitably in the future and to continue to receive adequate financial support to sustain operations and to meet its obligations as and when they fall due. As at 31st December, 2014, the net current liabilities of the Company exceeded the current assets by RM1,317,252 (2013: RM584,774) and capital deficit of RM245,718 (2013: RM255,747).

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
INNO MIND WORKS SDN. BHD.**

(Incorporated in Malaysia)

Report on the Financial Statements (cont'd)

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the provisions 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 31st December, 2014 and of its financial performance and cash flows for the financial year then ended.

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 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.



K.W.ONG & PARTNERS
AF 1210
Chartered Accountants



ONG KUAN WAH
1954/08/15(J)
Partner of Firm

Kuala Lumpur

Dated: 10 JUN 2015

INNO MIND WORKS SDN. BHD.

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BALANCE SHEET AS AT 31ST DECEMBER, 2014

	<u>NOTE</u>	<u>2014</u> <u>RM</u>	<u>2013</u> <u>RM</u>
NON CURRENT ASSETS			
Property, plant & equipment	4	1,253,722	329,027
Investment	5	16,000	-
		1,269,722	329,027
CURRENT ASSETS			
Trade receivables		622,177	17,546
Cash and bank balances		118,677	45,018
Other receivables & deposit		105,213	31,310
		846,067	93,874
CURRENT LIABILITIES			
Trade payables		197,070	32,190
Other payables & accruals	6	1,437,839	644,037
Due to a director	7	474,765	-
Hire purchase payables	8	31,666	-
Taxation		21,979	2,421
		2,163,319	678,648
NET CURRENT LIABILITIES		(1,317,252)	(584,774)
		(47,530)	(255,747)
Financed by :			
SHARE CAPITAL			
SHARE CAPITAL	9	100,000	100,000
ACCUMULATED LOSS			
ACCUMULATED LOSS		(345,718)	(355,747)
		(245,718)	(255,747)
LONG TERM LIABILITY			
Hire purchase payables	8	198,188	-
		(47,530)	(255,747)

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

INNO MIND WORKS SDN. BHD.

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INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	<u>NOTE</u>	<u>2014</u> <u>RM</u>	<u>2013</u> <u>RM</u>
Revenue		3,492,463	428,996
Cost of sales		(2,554,943)	(284,220)
Gross profit		937,520	144,776
Other income		28,465	-
Administration expenses		(69,331)	(33,171)
Staff costs		(628,235)	(57,524)
Other operating expenses		(204,584)	(93,757)
Profit/(loss) from operation	8	63,835	(39,676)
Finance costs		(31,827)	-
Net profit/(loss) before taxation		32,008	(39,676)
Taxation	9	(21,979)	(2,421)
Net profit/(loss) after taxation		10,029	(42,097)

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

INNO MIND WORKS SDN. BHD.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	<u>Share Capital</u> RM	<u>Accumulated loss</u> RM	<u>Total</u> RM
At 31st December, 2012	2	(313,650)	(313,648)
Issuance of share capital	99,998	-	99,998
Net loss for the year	-	(42,097)	(42,097)
At 31st December, 2013	100,000	(355,747)	(255,747)
Net profit for the year	-	10,029	10,029
At 31st December, 2014	100,000	(345,718)	(245,718)

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

INNO MIND WORKS SDN. BHD.

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CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2014

	<u>2014</u> RM	<u>2013</u> RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit/(loss) before working capital changes	32,008	(39,676)
Adjustment for:		
Depreciation	114,156	65,583
Interest expenses	7,766	-
Operating profit before working capital changes	153,930	25,907
Increase/(decrease) in working capital:		
Receivables	(678,534)	(48,856)
Payables	958,682	37,761
Cash generated from operations	434,078	14,812
Interest paid	(7,766)	-
Tax paid	(2,421)	-
Net cash generated from operating activities	423,891	14,812
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(1,038,851)	(70,285)
Additional of investment	(16,000)	-
Net cash used in operating activities	(1,054,851)	(70,285)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	-	99,998
Proceeds from hire purchase payables	250,000	-
Repayment of hire purchase payables	(20,146)	-
Loan from a director	474,765	-
Net cash generated from financing activities	704,619	99,998
Net increase in cash and cash equivalents	73,659	44,525
Cash at the beginning of the year	45,018	493
Cash and cash equivalents at end of the year	118,677	45,018
Cash and cash equivalents comprise:		
Cash and bank balances	118,677	45,018

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

INNO MIND WORKS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

1. GENERAL

The Company is principally engaged in event organizer, advertisement and media industries. There has been no significant change in the nature of this activity during the financial year.

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

The registered office is located at M1-10-09 Menara 8trium, Level 10, Jln Cempaka SD12/5, Bdr Sri Damansara 52200 Kuala Lumpur.

The principal place at which business is carried on is located at 38-1, Block C, Zenith Corporate Park, Jalan SS 7/26, Kelana Jaya, 47301 Petaling Jaya, Selangor.

2. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for development of the Company's businesses whilst managing its risks.

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

a. Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures.

b. Liquidity and Cash Flow risks

The Company seeks to achieve a balance between certainty of funding even in difficult times for the markets or the Company and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Company's means to repay and refinance.

c. Interest rate risk

the interest rate exposure arises from the Company's borrowings and deposits, and is managed through the use of fixed and floating rate debts.

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

3. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of the Company are prepared under the historical cost convention unless specifically stated otherwise and comply with approved accounting standards issued by the Malaysian Accounting Standards Board in material respects.

The preparation of financial statements requires management to exercise judgment in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the balance sheet date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

b. Property, plant and equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and impairment of assets (if any). It is depreciated on a straight line basis at rates calculated to write off the cost of the assets over their estimated useful lives. The annual rates are:

Furniture & fittings	10%
Office equipment	10%
Computers	33%
Renovation	10%
Motor vehicles	20%
Office signboard	10%
Billboard	10%

Freehold land and buildings in progress are not depreciated. Leasehold lands are depreciated over the period of the respective leases.

c. Deferred Taxation

Deferred taxation is provided on material timing differences using the liability method except where it can be demonstrated with reasonable probability that the tax deferrals will continue in the foreseeable future.

Deferred tax benefits are only recognized when there is a reasonable expectation of realisation in the near future.

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

d. Receivables

Receivables are carried at anticipated realisable value. Bad debts are written off in the year in which they are identified.

e. Cash and cash equivalent

The statement of cash flows classifies changes in cash and cash equivalents according to operating, investing and financing activities. The Company does not consider any of the assets other than cash and bank balances and short term investments, reduced by bank overdrafts to meet the definition of cash and cash equivalents. The statement of cash flow is prepared using the indirect method.

Cash and cash equivalents comprise bank balances, cash in hand and short term highly liquid assets that are readily convertible to cash without significant risk of changes in value less bank borrowings that are not subject to fixed term of repayment.

f. Impairment of Assets

The carrying values of assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the asset is carried at revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of previously recognised revaluation surplus for the same asset.

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 asset that would have determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in the income statement immediately, unless the asset is carried at revalued amount. A reversal of an impairment loss on a revalued asset is credited directly to revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income statement, a reversal of that impairment loss is recognised as income in the income statement.

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

g. Financial Instruments

Financial instruments carried on the balance sheet include cash and bank balances, investments, receivable, payable and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

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 liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

h. Revenue recognition

Revenue relating to sale of goods is recognised net of discounts when transfer of risks and rewards have been completed.

i. Hire purchase payables

Assets required by way of hire purchase or finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses. The corresponding liability is included in the balance sheet as borrowing. In calculating the present value of the minimum lease payment, the discount factor is the interest rate implicit in the lease, when it is practicable to determine, otherwise the company's incremental borrowing rate is used.

Lease payment is apportioned between the finance costs and the reduction of the outstanding liability. Finance cost, which represent the difference between the total leasing commitments as the fair value of the assets acquired, are recognize as an expenses in the income statement over the term of the remaining balance of the obligation for each accounting period.

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

4. PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2014 RM	Addition RM	Disposal RM	As at 31.12.2014 RM
2014				
COST				
Furniture & fittings	36,559	5,419	-	41,978
Renovation	543,374	-	-	543,374
Office equipment	45,196	4,127	-	49,323
Computers	9,200	21,976	-	31,176
Motor vehicles	-	279,645	-	279,645
Signboard	-	850	-	850
Billboard	-	21,800	-	21,800
Buildings in progress	-	705,034	-	705,034
	634,329	1,038,851	-	1,673,180

	As at 1.1.2014 RM	Charge for the year RM	Disposal RM	As at 31.12.2014 RM
ACCUMULATED DEPRECIATION				
Furniture & fittings	12,343	3,922	-	16,265
Renovation	274,712	54,337	-	329,049
Office equipment	15,211	4,696	-	19,907
Computers	3,036	8,645	-	11,681
Motor vehicles	-	41,947	-	41,947
Signboard	-	64	-	64
Billboard	-	545	-	545
Buildings in progress	-	-	-	-
	305,302	114,156	-	419,458

	As at 31.12.2014 RM
CARRYING AMOUNT	
Furniture & fittings	25,713
Renovation	214,325
Office equipment	29,416
Computers	19,495
Motor vehicles	237,698
Signboard	786
Billboard	21,255
Buildings in progress	705,034
	1,253,722

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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

4. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

	As at <u>1.1.2013</u> RM	<u>Addition</u> RM	<u>Disposal</u> RM	As at <u>31.12.2013</u> RM
2013				
COST				
Furniture & fittings	20,361	16,198	-	36,559
Renovation	518,528	24,846	-	543,374
Office equipment	25,155	20,041	-	45,196
Computers	-	9,200	-	9,200
	<u>564,044</u>	<u>70,285</u>	<u>-</u>	<u>634,329</u>

	As at <u>1.1.2013</u> RM	Charge for <u>the year</u> RM	<u>Disposal</u> RM	As at <u>31.12.2013</u> RM
ACCUMULATED DEPRECIATION				
Furniture & fittings	8,653	3,690	-	12,343
Renovation	220,375	54,337	-	274,712
Office equipment	10,691	4,520	-	15,211
Computers	-	3,036	-	3,036
	<u>239,719</u>	<u>65,583</u>	<u>-</u>	<u>305,302</u>

	As at <u>31.12.2013</u> RM
CARRYING AMOUNT	
Furniture & fittings	24,216
Renovation	268,662
Office equipment	29,985
Computers	6,164
	<u>329,027</u>

5. INVESTMENT

	<u>2014</u> RM	<u>2013</u> RM
Investment in Agro Growers Scheme, at cost	16,000	-
	<u>16,000</u>	<u>-</u>

INNO MIND WORKS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

6. OTHER PAYABLES AND ACCRUALS

	<u>2014</u> RM	<u>2013</u> RM
Other payables	1,416,106	636,156
Accruals	<u>21,733</u>	<u>7,881</u>
	<u>1,437,839</u>	<u>644,037</u>

7. DUE TO A DIRECTOR

This amount is unsecured, interest free and with no fixed term of repayment.

8. HIRE PURCHASE PAYABLES

	<u>2014</u> RM	<u>2013</u> RM
Minimum hire-purchase instalments:		
- not later than 1 year	41,868	-
- later than 1 year and not later than 5 years	125,604	-
- later than 5 years	<u>97,666</u>	<u>-</u>
	265,138	-
Future finance charges on hire purchase	<u>(35,284)</u>	<u>-</u>
Present value of hire-purchase creditors	<u>229,854</u>	<u>-</u>
Present value of hire-purchase creditors		
- not later than 1 year	31,666	-
- later than 1 year and not later than 5 years	105,418	-
- later than 5 years	<u>92,770</u>	<u>-</u>
	<u>229,854</u>	<u>-</u>

9. SHARE CAPITAL

	<u>2014</u> RM	<u>2013</u> RM
Ordinary shares of RM1 each:		
Authorised	<u>100,000</u>	<u>100,000</u>
Issued and fully paid:		
As at beginning of the year	100,000	2
Increased during the year	<u>-</u>	<u>99,998</u>
As at end of the year	<u>100,000</u>	<u>100,000</u>

INNO MIND WORKS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

10. TAXATION

	<u>2014</u> RM	<u>2013</u> RM
Tax payable at Malaysian statutory rate	<u>21,979</u>	<u>2,421</u>

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

	<u>2014</u> RM	<u>2013</u> RM
Tax payable at Malaysian statutory tax rate	6,402	(7,935)
Tax effect of items that are not deductible for tax purposes:		
- Non deductible expenses	25,590	13,634
- Utilisation of capital allowances	<u>(10,013)</u>	<u>(3,278)</u>
Average tax payable at effective tax rate	<u>21,979</u>	<u>2,421</u>

11. LOSS BEFORE TAXATION

	<u>2014</u> RM	<u>2013</u> RM
Loss for the year is arrived at after charging:-		
Auditors' remuneration	3,000	1,800
Depreciation of property, plant and equipment	114,156	65,583
Hire purchase interest	7,766	-
Foreign exchange loss/(gain):		
- Realised	(21,974)	-
- Unrealized	(4,210)	-
Rental of premise	27,300	19,800
Staff costs	<u>422,220</u>	<u>44,733</u>

INNO MIND WORKS SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS – 31ST DECEMBER, 2014

12. FINANCIAL INSTRUMENTS

a) (i) Interest Rate Risk

The interest rate risk that financial instruments' values will fluctuate as a result of changes in market interest rates, and the interest rates on classes of financial assets and financial liabilities, are as follows:

	<u>2014</u>		<u>2013</u>	
		Interest		Interest
		<u>rate</u>		<u>rate</u>
	RM	%	RM	%
<u>Financial Assets</u>				
- Cash and bank balances	118,677	-	45,018	-

(ii) Credit Risk

The maximum credit risk associated with recognised financial assets is the carrying amount shown in the balance sheet.

The Company has no significant concentration of credit risk with any single counterparty.

b) Fair values of financial instruments

The carrying amounts of the financial assets and financial liabilities of the Company as at financial year end approximated their fair values because of their short maturity year.

13. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 31st December, 2014 were authorised for issue in accordance with a resolution of the Board of Directors on 10.6.2015.