



Company No. 1169274-K

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HEW CHEE HAU (MIA 21967)
COMPANY SECRETARY


A2A GLOBAL NETWORK SDN. BHD.
(Incorporated in Malaysia)

Reports and Financial Statements
30 September 2017

 **SIEW BOON YEONG & ASSOCIATES**
 **Chartered Accountants** (AF: 06601)

Company No. 1169274-K

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**Reports and Financial Statements
30 September 2017**


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HEW CHEE HAU (MIA 21967)
COMPANY SECRETARY

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 6 to 23 are drawn up in accordance with Malaysian Private Entities Reporting Standard so as to exhibit a true and fair view of the financial position of the company as at 30 September 2017 and of the financial performance and cash flows of the company for the period ended on that date.

Signed in Kuala Lumpur on 7 December 2017

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


YUE SAW LENG
Director


LOO YEE MUN
Director



SIEW BOON YEONG & ASSOCIATES

Chartered Accountants [AF: 0660]

9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.

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Under Part 11
Malaysian Institute of Accountants
Act 1967
No. 1169274-K

Company No. 1169274-K

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A2A GLOBAL NETWORK SDN. BHD. (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of A2A Global Network Sdn. Bhd., which comprise the statement of financial position as at 30 September 2017, and the statement of profit or loss and other comprehensive income and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 6 to 23.

In our opinion, the accompanying financial statements give a true and fair view of financial position of the company as at 30 September 2017, and of its financial performance and its cash flows for the period then ended in accordance with Malaysian Private Entities Reporting Standard.


Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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COMPANY SECRETARY

Company No. 1169274-K

Information Other than the Financial Statements and Auditors' Report Thereon

We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard. The directors are also responsible 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.

In preparing the financial statements of the company, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of preparation these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

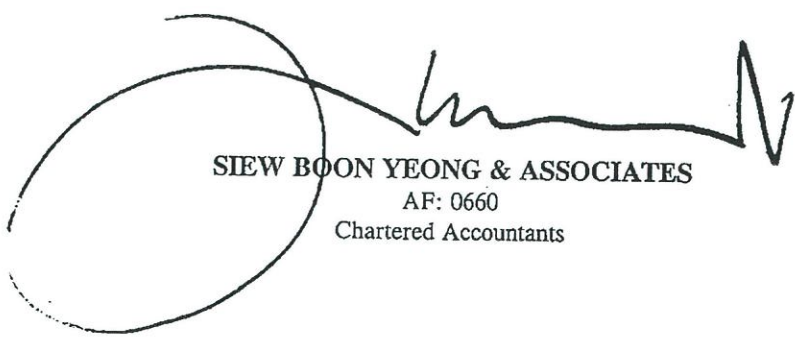
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HEW CHEE HAU (MIA 21967)
COMPANY SECRETARY

Other Matters

This report is made solely to the members of the company, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.


SIEW BOON YEONG & ASSOCIATES
AF: 0660
Chartered Accountants


DATO' SIEW BOON YEONG
01321/07/2018 J
Chartered Accountant

Kuala Lumpur,
Date: 7 December 2017

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION
as at 30 September 2017**

HEW CHEE HAU (MIA 21967)
 COMPANY SECRETARY

	Note	30.09.2017 RM	31.12.2016 RM
ASSETS			
Non-current Assets			
Property, plant and equipment	4	604,962	576,752
Current Assets			
Trade and other receivables	5	169,980	-
Other assets	6	6,700	33,450
Fixed deposit with a licensed bank	7	2,400,000	-
Cash and bank balances		166,290	3,900,885
		2,742,970	3,934,335
Total Assets		3,347,932	4,511,087
EQUITY AND LIABILITIES			
Equity			
Share capital	8	8,773,292	2,000,000
Accumulated losses		(5,930,534)	(2,461,510)
Total Equity		2,842,758	(461,510)
Liabilities			
Current Liabilities			
Other payables	9	453,621	4,967,597
Other liabilities	10	51,553	5,000
Total Liabilities		505,174	4,972,597
Total Equity and Liabilities		3,347,932	4,511,087

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

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A2A GLOBAL NETWORK SDN. BHD.
(Incorporated in Malaysia)

NEW CHEE HAU (MIA 21967)
COMPANY SECRETARY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the period from 1 January 2017 to 30 September 2017

		From 01.01.2017 to 30.09.2017	From 16.12.2015, the date of incorporation to 31.12.2016
	Note	RM	RM
REVENUE	11	1,430,855	744,786
OTHER OPERATING INCOME		10,981	1,568
EMPLOYEE BENEFIT EXPENSES	12	(1,278,560)	(938,730)
DEPRECIATION		(130,152)	(144,188)
OTHER OPERATING EXPENSES		<u>(3,502,148)</u>	<u>(2,124,946)</u>
LOSS BEFORE TAXATION	13	(3,469,024)	(2,461,510)
INCOME TAX EXPENSE	14	<u>-</u>	<u>-</u>
NET LOSS, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(3,469,024)</u></u>	<u><u>(2,461,510)</u></u>

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

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)


HEW CHEE HUI (MIA21967)
COMPANY SECRETARY

STATEMENT OF CHANGES IN EQUITY
for the period from 1 January 2017 to 30 September 2017

	Share capital	Accumulated losses	Total
	RM	RM	RM
At incorporation	2	-	2
Issuance of shares during the period	1,999,998	-	1,999,998
Total comprehensive loss for the period	-	(2,461,510)	(2,461,510)
At 31 December 2016/1 January 2017	2,000,000	(2,461,510)	(461,510)
Issuance of shares during the period	6,773,292	-	6,773,292
Total comprehensive loss for the period	-	(3,469,024)	(3,469,024)
At 30 September 2017	8,773,292	(5,930,534)	2,842,758

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

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)


GEW CHEE HAU (MIA 21967)
 COMPANY SECRETARY


STATEMENT OF CASH FLOWS
for the period ended 1 January 2017 to 30 September 2017

	From 01.01.2017 to 30.09.2017 RM	From 16.12.2015, the date of incorporation to 31.12.2016 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(3,469,024)	(2,461,510)
<i>Adjustments for:</i>		
Depreciation	130,152	144,188
Interest income	(4,636)	-
<i>Operating loss before working capital changes</i>	(3,343,508)	(2,317,322)
Increase in receivables	(143,230)	(33,450)
(Decrease)/increase in payables	(4,467,423)	4,972,597
<i>Net cash (used in)/generated from operating activities</i>	(7,954,161)	2,621,825
CASH FLOWS FROM INVESTING ACTIVITIES		
Placement of fixed deposit pledged as securities	(2,400,000)	-
Purchase of property, plant and equipment	(158,362)	(720,940)
Interest received	4,636	-
<i>Net cash used in investing activities</i>	(2,553,726)	(720,940)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	6,773,292	2,000,000
<i>Net (decrease)/increase in cash and cash equivalents</i>	(3,734,595)	3,900,885
<i>Cash and cash equivalents at beginning of period</i>	3,900,885	-
<i>Cash and cash equivalents at end of period</i>	166,290	3,900,885
Cash and cash equivalents comprise:		
Cash and bank balances	166,290	3,900,885

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

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)


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COMPANY SECRETARY

NOTES TO THE FINANCIAL STATEMENTS – 30 September 2017

1. GENERAL INFORMATION

The company is a private limited company, incorporated and domiciled in Malaysia. The address of the registered office of the company is No. 6-1, Jalan Angsana 2, Taman Bukit Angsana, 56000 Cheras, Kuala Lumpur.

The principal activity of the company is retail sale of any kinds of products by direct selling or e-commerce platform, data technology solutions and other related services. The address of the principal place of business of the company is Block 6-05-01, Level 5, VSQ @ PJ City Center, Jalan Utara, 46200 Petaling Jaya, Selangor.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Basis Of Preparation

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard (“MPER”).

Early Adoption Of The Amendments To MPERS

In October 2015, the Malaysian Accounting Standards Board issued Amendments to MPERS that are effective for financial statements beginning on or after 1 January 2017, with early application permitted. The company has opted to early apply the Amendments since the date of incorporation on 16 December 2015. The early adoption of the Amendments to MPERS has no effect on the financial statements of the company for the current period ended 30 September 2017.

The financial statements, which are presented in Ringgit Malaysia (“RM”) have been prepared on the historical cost basis, except as disclosed in the accounting policies as set out below:

(b) Property, Plant And Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	%
Computer and software	20 - 33
Furniture and fittings	20
Office equipment	20
Renovation	20

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss.

(c) Impairment Of Assets, Other Than Inventories And Financial Assets

At these reporting date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

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An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

(d) Functional Currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the company (the "functional currency"). The financial statements are presented in ("RM"), which is the functional currency of the company.

(e) Financial Assets

Financial assets are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

(i) *Financial Assets At Fair Value Through Profit Or Loss*

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) *Financial Assets That Are Debt Instruments Measured At Amortised Cost*

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

(iii) *Financial Assets That Are Equity Instruments Measured At Cost Less Impairment*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

Impairment Of Financial Assets

At the end of the reporting period, the company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired.

Objective evidences could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.


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Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

(f) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B of Section 22 of MPERS, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS. Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

(g) Financial Liabilities

Financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the company to the arrangement.

After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

(i) Financial Liabilities Measured At Fair Value Through Profit Or Loss

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) *Financial Liabilities Measured At Amortised Cost*

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

(iii) *Loan Commitments Measured At Cost Less Impairment*

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

Derecognition Of Financial Liabilities

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Provisions

A provision is recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

(i) Revenue Recognition

Revenue from sale of goods is recognised when all the following condition are satisfied:

- (i) The company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (ii) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (iii) The amount of revenue can be measured reliably;
- (iv) It is probable that the economic benefits associated with the transaction will flow to the company; and
- (v) The costs incurred or to be incurred in respect of the transaction can be measured reliably.


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(j) Interest Income

Interest income is recognised on an accrual basis using the effective rate of the interests.

(k) Income Tax Expense

Income taxes for the year comprise 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 or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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 assets and liabilities are 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 end of the reporting period.

Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited 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 excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(l) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plan

The company makes contributions to a statutory provident fund and recognises the contribution payable after deducting contributions already paid as a liability and as an expense in the financial period in which the employees render their services.

(m) Cash And Cash Equivalents

Cash comprises cash and bank balances including bank overdrafts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

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3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the company's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below.

(a) Depreciation Of Property, Plant And Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The company anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the property, plant and equipment is disclosed in *Note 4*.

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. PROPERTY, PLANT AND EQUIPMENT

The details of property, plant and equipment are as follows:

	Computer and software		Furniture and fittings		Office equipment		Renovation		Total	
	RM		RM		RM		RM		RM	
<i>Cost</i>										
At 1 January 2017	359,864		14,170		18,746		328,160		720,940	
Additions	110,019		34,203		14,140		-		158,362	
At 30 September 2017	469,883		48,373		32,886		328,160		879,302	
<i>Accumulated depreciation</i>										
At 1 January 2017	71,973		2,834		3,749		65,632		144,188	
Charge for the period	69,682		6,628		4,618		49,224		130,152	
At 30 September 2017	141,655		9,462		8,367		114,856		274,340	
<i>Net carrying amount</i>										
At 30 September 2017	328,228		38,911		24,519		213,304		604,962	
At 31 December 2016	287,891		11,336		14,997		262,528		576,752	
Depreciation - 2016	71,973		2,834		3,749		65,632		144,188	

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Company No. 1169274-K

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5. TRADE AND OTHER RECEIVABLES

	30.09.2017	31.12.2016
	RM	RM
Trade receivables	30,983	-
Other receivables	36,748	-
Deposit	102,249	-
	<u>169,980</u>	<u>-</u>

The company's normal trade credit terms granted to the trade receivables ranged from 30 to 90 days (31.12.2016: Nil). Other credit terms are assessed and approved on a case-by-case basis.

6. OTHER ASSETS

	30.09.2017	31.12.2016
	RM	RM
Prepayment	<u>6,700</u>	<u>33,450</u>

7. FIXED DEPOSIT WITH A LICENSED BANK

Included in fixed deposits with a licensed bank is fixed deposit of RM2,400,000 (31.12.2016: Nil) pledged as security for banking facilities granted to the company.

The fixed deposits with licenced banks earn interest at rates ranging from 0.02% to 1.00% (31.12.2016: Nil) per annum.

8. SHARE CAPITAL

	2017	2016	2017	2016
	Number of ordinary shares		RM	RM
Issued share capital:				
As at 1 January/incorporation	2,000,000	2	2,000,000	2
Issuance of shares	<u>6,773,292</u>	<u>1,999,998</u>	<u>6,773,292</u>	<u>1,999,998</u>
As at 30 September/ 31 December	<u>8,773,292</u>	<u>2,000,000</u>	<u>8,773,292</u>	<u>2,000,000</u>

During the financial period, the company has issued the following shares:

Date of Issue	Purpose of Issue	Number of Shares Issued	Class of Share	Term of Issue
28.07.2017	Working capital	6,773,292	Ordinary	Otherwise

The holders of the ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the company's residual assets.

Effective from 31 January 2017, the ordinary shares have no par value.

Company No. 1169274-K


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9. OTHER PAYABLES

	30.09.2017	31.12.2016
	RM	RM
Other payables	<u>453,621</u>	<u>4,967,597</u>

10. OTHER LIABILITIES


	30.09.2017	31.12.2016
	RM	RM
Accruals	<u>51,553</u>	<u>5,000</u>

11. REVENUE

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

12. EMPLOYEE BENEFIT EXPENSES

	From 01.01.2017 to 30.09.2017	From 16.12.2015, the date of incorporation to 31.12.2016
	RM	RM
Salaries and wages	861,728	549,732
Defined contribution plan	130,890	75,824
Other employee benefit expenses	<u>285,942</u>	<u>313,174</u>
	<u>1,278,560</u>	<u>938,730</u>
Included in employee benefit expenses are:		
Directors' remuneration:		
- other emoluments	<u>207,000</u>	<u>201,600</u>



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13. LOSS BEFORE TAXATION

	From 01.01.2017 to 30.09.2017	From 16.12.2015, the date of incorporation to 31.12.2016
	RM	RM
Loss before taxation is stated <i>after charging</i> :		
Auditors' remuneration	15,000	6,000
Depreciation	130,152	144,188
Loss on foreign exchange - unrealised	227	-
Rental of equipment	-	2,000
Rental of office	144,917	123,166
Rental of photostat machine	2,030	870
Rental of venue	936	7,038
	<u>6,319</u>	<u>-</u>
<i>and crediting</i> :		
Gain on foreign exchange - realised	4,636	-
Interest income	-	-
	<u>4,636</u>	<u>-</u>

14. INCOME TAX EXPENSE

	From 01.01.2017 to 30.09.2017	From 16.12.2015, the date of incorporation to 31.12.2016
	RM	RM
Malaysian income tax:		
- current period's provision	-	-
	<u>-</u>	<u>-</u>

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

	From 01.01.2017 30.09.2017	From 16.12.2015, the date of incorporation to 31.12.2016
	RM	RM
Loss before taxation	(3,469,024)	(2,461,510)
Income tax expense at Malaysian statutory tax rate of 24% (31.12.2016: 24%)	(832,566)	(590,762)
• Adjustments for the following tax effects:		
- expenses not deductible for tax purposes	46,663	43,223
- deferred tax asset not recognised during the period	785,903	547,539
	<u>832,566</u>	<u>590,762</u>
	<u>-</u>	<u>-</u>

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The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	30.09.2017 RM	31.12.2016 RM
Excess of capital allowance claimed over corresponding accumulated depreciation	(301,321)	(301,321)
Unabsorbed capital allowances	379,877	379,877
Unutilised business losses	5,477,452	2,202,856
	<u>5,556,008</u>	<u>2,281,412</u>

15. CATEGORIES OF FINANCIAL INSTRUMENTS

	30.09.2017 RM	31.12.2016 RM
Financial assets:		
<u>Measured at amortised cost</u>		
Trade and other receivables	169,980	-
Short term investment	2,400,000	-
Cash and bank balances	166,290	3,900,885
	<u>2,736,270</u>	<u>3,900,885</u>
Financial liabilities:		
<u>Measured at amortised cost</u>		
Other payables	453,621	4,967,597
	<u>453,621</u>	<u>4,967,597</u>

16. COMPARATIVE FIGURES

The comparative figures were for the period from 16 December 2015, date of incorporation to 31 December 2016 and may not be comparable with current period's figures. Certain comparative figures in the financial statements have been reclassified to conform with the current period's presentation.

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
for the period from 1 January 2017 to 30 September 2017

	<i>From 01.01.2017 to 30.09.2017</i>	<i>From 16.12.2015, the date of incorporation to 31.12.2016</i>
	RM	RM
REVENUE	1,430,855	744,786
<u>Less: COST OF SERVICES</u>		
Purchases	86,866	139,347
GROSS PROFIT	1,343,989	605,439
<u>Add: OTHER OPERATING INCOME</u>		
Administration charges	26	1,568
Gain on foreign exchange - realised	6,319	-
Interest income	4,636	-
	1,354,970	607,007
<u>Less: OPERATING EXPENSES</u>		
Accounting fees	49,300	25,353
Advertisement	1,121,392	40,179
Auditors' remuneration	15,000	6,000
Bank charges	46,144	12,247
Bonus	-	54,133
Commission	408,376	185,103
Consultancy fees	32,000	270,000
Depreciation	130,152	144,188
Directors' remuneration		
- other emoluments	207,000	201,600
Electricity and water	12,450	11,922
Entertainment	11,071	7,835
EPF contributions	130,890	54,224
Event expenses	-	93,303
Gift and donation	22,520	10,800
GST expenses	2,606	-
Incorporation fee	-	9,830
Insurance	44,100	45,008
License fees	4,498	40,500
Loss on foreign exchange - unrealised	227	-

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 COMPANY SECRETARY

A2A GLOBAL NETWORK SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS
for the period from 1 January 2017 to 30 September 2017

	<i>From 01.01.2017 to 30.09.2017</i>	<i>From 16.12.2015, the date of incorporation to 31.12.2016</i>
	RM	RM
Medical fee	2,689	2,562
Petrol, toll and parking	7,434	898
Postage and courier	6,350	5,226
Printing and stationery	84,024	99,013
Professional fees	680,106	664,775
Recruitment fees	-	54,440
Rental of equipment	-	2,000
Rental of office	144,917	123,166
Rental of photostat machine	2,030	870
Rental of venue	936	7,038
Salaries	857,618	369,732
Secretarial and filing fees	1,220	3,638
SOCISO contributions	9,988	5,759
Staff training	28,938	111,058
Staff welfare	37,327	8,692
Stamp duty	33,754	1,780
Sundry wages	4,110	-
Tax compliance fees	3,400	-
Telephone and fax charges	12,470	13,114
Trademark expenses	-	57,748
Training fees	161,502	23,100
Travelling expenses	424,307	269,969
Upkeep of computer	30,742	-
Upkeep of office equipment	52,406	31,714
	<u>4,823,994</u>	<u>3,068,517</u>
LOSS BEFORE TAXATION	<u>(3,469,024)</u>	<u>(2,461,510)</u>

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