



Innovative.Synergy

I SYNERGY HOLDINGS BERHAD

ANNUAL REPORT

for the year ended
31 December 2015

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CHAIRMAN'S STATEMENT

Dear Shareholders

On behalf of the Board of Directors of I Synergy Holdings Berhad ("I Synergy"), it is with great pleasure that I present to you the Annual Report and the Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2015.

Introduction

The Company is a limited company incorporated in Malaysia on 3 April 2015. The Company has become the ultimate parent company of the Group as a result of acquiring I Synergy International (M) Sdn Bhd, a company incorporated in Malaysia. I Synergy Holdings Berhad has successfully listed on The National Stock Exchange of Australia ("NSX") on 31 August 2015.

Financial Performance

I Synergy registered revenue of RM40.26 million and a loss after taxation of RM2.25 million for the 7 months ended 31 December 2015.

Operations Review

Pioneering in affiliate marketing solutions to deliver performance marketing to businesses, I Synergy operates and manages an affiliate network platform called Affiliate Junction (AJ), the leading affiliate marketing network in Malaysia. AJ has several affiliate programs in its network, and a huge database of affiliates, merchants and registered members. For the year ended 31 December 2015, AJ has over 17,000 affiliate force.

Prospects

Following the listing of the Company on NSX, the Board is confident of its future outlook. The Group intends to continue to grow its affiliates, merchants and members base and develop innovative affiliate programs under AJ. In view of the booming South East Asia economy and huge untapped market segment, the Group is working to expand its footprint in overseas market. The Board will continue to explore other viable and synergistic business opportunities to improve the Group's performance.

Appreciation

I would like to take this opportunity to express my sincere gratitude to all my fellow Board members for their wise counsel and valuable support to the Group.

Acknowledgement

On behalf of the Board, I wish to express my appreciation to the Management and staff for their commitment, perseverance, loyalty, and dedication during the past year. I also extend my gratitude to our shareholders, valued customers, affiliates, merchants, bankers and regulatory authorities for their invaluable and continuous support and confidence in the Group.

On behalf of the Board of Directors



Dato' Teo Chee Hong
Chairman
Kuala Lumpur, Malaysia, 14 March 2016

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of I Synergy Holdings Berhad and its controlled entity for the financial period ended 31 December 2015. The information in the review of operations forms part of this directors' report for the financial period from incorporation (3 April 2015) to 31 December 2015 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of I Synergy Holdings Berhad during or since the end of the financial period up to the date of this report:

Dato' Teo Chee Hong (appointed on 3 April 2015)

Ong Han Keong (appointed on 15 April 2015)

Chu Chung Piow (appointed on 15 April 2015)

Particulars of each director's experience and qualifications are set out later in this report.

Company secretary

Caroline Ang Choo Bee (appointed on 3 April 2015)

Principal Activities

The Group principally engages in the field of affiliate marketing and related affiliate management services for commercial industry.

Review of Operations

Pioneering in affiliate marketing solutions to deliver performance marketing to businesses, I Synergy operates and manages an affiliate network platform called Affiliate Junction (AJ), the premier affiliate marketing network in Malaysia. AJ has several affiliate programs in its network, and a huge database of affiliates, merchants and registered members. For the year ended 31 December 2015, AJ has over 17,000 affiliate force.

Operating Results

The operating results for the Group show a net loss after tax of RM2.25 million

Financial Position

There were no bank borrowing other than RM0.21 million of motor vehicles hire purchase loan as at 31 December 2015. The net assets of the Group amounted to RM2.75 million or equal to RM0.01 per share as at 31 December 2015. The Directors believe the consolidated group is in a strong and stable financial position to maintain its current operations.

Events after Reporting Period

No matters or circumstances have arisen since the end of the reporting period.

Future Developments, Prospects and Business Strategies

The Board is confident of its future outlook. The Group intends to continue to grow its affiliates, merchants and members base and develop innovative affiliate programs under AJ. In view of the booming South East Asia economy and huge untapped market segment, the Group is working to expand its footprint in overseas market. The Board will continue to explore other viable and synergistic business opportunities to improve the Group's performance.

In order to maximise the Group's profit, the Group has the following strategic focus areas:

- Innovation and development of affiliate programs
- Geographical expansion to overseas market

Environmental Regulations

There is no environmental regulations relevant to the scope of the business

Dividends

The Company has not paid any dividends and is not proposing to pay dividends.

Indemnifying and insurance of officers and auditor

The Company has not, during or since the financial period, in respect of any person who is or has been an officer or the auditor of the Company:

- indemnified, or made any relevant agreement for indemnifying, against a liability that was incurred by an officer and auditor, including costs and expenses in defending legal proceedings; or
- paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer and auditor, for the costs and expenses in defending legal proceedings.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the period.

Information Relating to Directors

Dato' Teo Chee Hong

Dato' Teo is the Executive Director and Chairman of the Company. A seasoned sales and marketing motivator and consultant with extensive experience in retail and network marketing, Dato' Teo is the founder of the innovative business concept that combines network and retail marketing into offline affiliate program. Dato' Teo is an active member of prominent retail associations/federation in Malaysia with strong retailer community and networks. He is also an Advisor to an established Malaysian angel investment platform for entrepreneurs, www.capital.com.my.

For his outstanding leadership, achievements and business excellence, Dato' Teo has been awarded with various prestigious awards:

- Top Nominee for Emerging Entrepreneur Category of EY Entrepreneur Of The Year™ (EOY) Malaysia Awards 2014.
- Top 10 in Junior Chamber International (JCI) Creative Young Entrepreneur Award 2014.
- Winner of Global Leadership Awards 2014: Master Class Entrepreneur of the Year.
- Winner of Most Promising Entrepreneurship Award in Asia Pacific Entrepreneurship Award (APEA) 2013.
- Winner ASEAN Outstanding Business Award (AOBA) 2013: Master Class Award – Emerging Entrepreneur of the Year.

Ong Han Keong

Mr Ong was appointed as an Executive Director to the Board in April 2015. With over 8 years of hands-on experience in business operation, sales and project development & management in various industries, Mr Ong is an all-rounder leader and goal achiever.

He is experienced in developing and expanding new regional markets in Asia – including Philippines, Singapore, Brunei, Vietnam, and Thailand – and leading a team of 10 business consultants in achieving a company's 50% increase in annual turnover in 2007 accomplished through the development and execution of multifaceted business strategies and tactics.

As the second in command after the CEO, Mr Ong is an integral component in the administration of the company's daily operations, overseeing and ensuring all the different dynamics within the company are synergised, producing a professional corporate environment that is primed to consistently achieve optimum level of productivity efficiently.

Mr Ong is also the person in charge responsible for the affiliate system architecture of Affiliate Junction (AJ), Malaysia's first affiliate network.

Chu Chung Piow

Mr Chu was appointed as an Executive Director to the Board in April 2015. Mr Chu has been a participant in the telecommunication industry, in both new technology start-ups and listed corporation's subsidiary companies. In his years of experience with corporations, Mr Chu was a leader in building and expanding company's reseller/agent network, as well as supporting the company's sales channels.

Mr Chu is the key liaison maintaining the trusty relationship between the corporate management team, the network of affiliates and the company's clients, as well as making assertive efforts in upholding the highest network quality standards and integrity.

The network's affiliate base has benefited tremendously under Lennon's supervision. In line with the company's goals, Mr Chu proactively took on the responsibility of enhancing affiliates' skills and knowledge through training and implementation of educational tools and system to make certain of the quality and capabilities of the affiliates in achieving their entrepreneurial objectives.

Meetings of Directors

As a result of the Company incorporating on 3 April 2015, the Company held 3 meeting of Directors. No committee meetings were held during the period.

Non Audit Service

There is no non-audit services provided to I Synergy Holdings Berhad and its controlled entities by the auditor of I Synergy Holdings Berhad.

Employment Details of Members of Key Management Personnel

The following table provides employment details of persons who were, during the financial year, members of KMP of the Group. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Group Key Management Personnel	Position Held as at 31 December 2015	Contract details (duration & termination)
Dato' Teo Chee Hong	Executive Director and Chief Executive Officer	Employment contract in subsidiary with 8 weeks written termination notice
Ong Han Keong	Executive Director and Chief Operating Officer	Employment contract in subsidiary with 8 weeks written termination notice
Chu Chung Piow	Executive Director and Chief Financial Officer	Employment contract in subsidiary with 8 weeks written termination notice
Eng Guo Miao	Chief Financial Officer	Employment contract in subsidiary with 8 weeks written termination notice

Total Remuneration and Benefits Paid to Key Management Personnel for period ended 31 December 2015

Salary/Fees (RM)	Bonus/Incentive (RM)	Pension (RM)	Other (RM)	Total (RM)
183,600	682,058	20,748	25,200	911,606

Securities Option and Right

No member of KMP entitled to receive securities as part of their remuneration package.

KMP Direct Shareholders

The number of ordinary shares in I Synergy Holdings Berhad held by each KMP of the Group during the financial year is as follow:

Group KMP	Balance at date of incorporation	Issued on acquired subsidiary on 1 June 2015	Bought / Sold during the Year	Other Changes during the Year	Balance at End of Year
Dato Teo Chee Hong	100	249,997,400	(82,597,500)	-	167,400,000
Ong Han Keong	-	-	-	10,050,000	10,050,000
Chu Chung Piow	-	-	-	10,050,000	10,050,000
Eng Guo Miao	-	-	-	5,000	5,000

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

Other transactions with KMP and/or their related parties

The Group has no related party transactions for the period from 3 April 2015 to 31 December 2015, except the following.

Transacting parties	Relationship	Nature of transaction	Amount this year
I Synergy Universal Sdn Bhd	Related company	Platform fee	12,993,570
		Annual subscription	57,050
		Activation code	392,488
Triple Gem Sdn Bhd	Related company	Office rental	30,900

Reserves and Provisions

All material transfers to or from reserves or provisions during the financial period are disclosed in the financial statements.

Issues of Shares and Debentures

The Company was incorporated with an authorised share capital of RM400,000 comprising 20,000,000 ordinary shares of RM0.02 each, of which 200 ordinary shares of RM0.02 each were subscribed for on the date of incorporation.

There were no issues of debentures by the Company.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial period apart from the following:

- The company was incorporated on 3 April 2015. On 1 June 2015 I Synergy Holdings Berhad, issued 249,999,800 new shares in exchange for the full control of I Synergy International (M) Sdn Bhd
- Changes in controlled entities and divisions – A subsidiary company, I Synergy International (M) Sdn Bhd was fully owned by the Company during the financial year 2015

Options Granted Over Unissued Shares

During the financial period, no options were granted by the Company to any person to take up any unissued shares in the Company.

Bad and Doubtful Debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables, and satisfied themselves that there are no known bad debts and that no allowance for impairment losses on receivables is required.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current Assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent and Other Liabilities

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial period which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial period.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Change of Circumstances

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

Items of an Unusual Nature

The results of the operations of the Group and of the Company during the financial period were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial period.

Auditors

The auditors, Messrs. Crowe Horwath, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors dated 14 March 2016



Dato' Teo Chee Hong



Ong Han Keong

CORPORATE GOVERNANCE

This statement summarises the main corporate governance practices of I Synergy Holdings Berhad.

The Board of Directors is primarily responsible for creating, protecting and delivering long term shareholder value. This is achieved through the application of appropriate corporate governance policies and procedures relevant to the size of the Company and the scale of its operations.

The Directors are committed to maintain a Board that is highly skilled, experienced and capable of fulfilling its obligations.

The Company complies with the National Stock Exchange (NSX) of Australia's principles of corporate governance (the Principles).

Principle	Summary of policies
Lay solid foundations for management and oversight	<p>The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight of management.</p> <p>Management are responsible for implementing the strategic objectives of the company and operating within the risk appetite set by the Board as well as other aspects of the day-to-day running of the Company. Management is also responsible for providing the Board with accurate, timely clear information to enable the Board to perform its responsibilities.</p>
Structure the board to add value	<p>The Board's policy is that the Board needs to have an appropriate mix of skills, experience, expertise and diversity to be well equipped to help the Company navigate the range of challenges faced by the company</p> <p>The Board seeks to ensure that:</p> <ul style="list-style-type: none"> • At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Company and directors with an external or fresh perspective; • There is a sufficient number of directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and • The size of the Board is appropriate to facilitate effective discussion and efficient decision making.
Act ethically and responsibly	<p>The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.</p> <p>A code of conduct has been established requiring directors and employees to:</p> <ul style="list-style-type: none"> • Act in the best interest of the entity; • Act honestly and with high standards of personal integrity; • Exercise due care and diligence in fulfilling the functions of office; • Avoid conflicts and make full disclosure of any possible conflicts of interest; • Comply with the laws and regulations that apply to the entity and its operations; • Not knowingly participate in any illegal or unethical activity; and • Comply with the share trading policy outlined in the Code of Conduct.
Safeguard integrity in financial reporting	<p>The external auditor is appointed to ensure the integrity in financial reporting and financial statements are prepared to give a true and fair view of the entity.</p> <p>The Board have received from its Chief Executive Officer / Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>

<p>Make timely and balanced disclosure</p>	<p>The Board has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have equal and timely access to information on the Company's financial performance.</p> <p>These policies and procedures include a comprehensive disclosure policy that includes identification of matters that may have a material effect on the price on the Company's securities, quality control procedures over announcements, notifying them to the NSX, posting relevant information on the Company's website and issuing media releases.</p> <p>The Annual Report includes relevant information about the operations of the Company during the year, key financial information, changes in the state of affairs and indications of future developments. The Annual Reports for the current year and for previous years are available under the Investor Relations section of the company website.</p> <p>The half year and full year financial results are announced to the NSX and are available to shareholders via the Company and NSX websites.</p>
<p>Respect the rights of security holders</p>	<p>The Company Secretary has been nominated as the person responsible for communications with the NSX.</p> <p>All Executive Management have an ongoing obligation to advise the Company Secretary of any material non-public information which may need to be communicated to the market.</p>
<p>Recognise and manage risk</p>	<p>The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks.</p> <p>The Board has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The recent economic environment has emphasised the importance of managing and reassessing its key business risks.</p>
<p>Remunerate fairly and responsibly</p>	<p>The Company's remuneration policy is designed in such a way that it:</p> <ul style="list-style-type: none"> • motivates senior executives to pursue the long-term growth and success of the Company and • demonstrates a clear relationship between senior executives' performance and remuneration. <p>The remuneration policy, which sets the terms and conditions for the key management personnel (KMP) will be developed by the Remuneration Committee after seeking professional advice from independent consultants and was approved by the Board.</p>

STATEMENT BY DIRECTORS

We, Dato' Teo Chee Hong and Ong Han Keong, being two of the directors of I Synergy Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 9 to 51 are drawn up in accordance Malaysian Financial Reporting Standards, International Financial 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 Group and of the Company at 31 December 2015 and of their financial performance and cash flows for the financial period from 3 April 2015 (date of incorporation) to 31 December 2015.

Signed in accordance with a resolution of the directors dated



Dato' Teo Chee Hong



Ong Han Keong

STATUTORY DECLARATIONS

I, Dato' Teo Chee Hong, being the director primarily responsible for the financial management of I Synergy Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 9 to 51 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 Dato'
Teo Chee Hong, at Kuala Lumpur in the
Federal Territory on this 14 March 2016

Before me



B-3A-4, Megan Avenue 2,
12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.



Dato' Teo Chee Hong



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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF I SYNERGY HOLDINGS BERHAD

Report on the Financial Statements

We have audited the financial statements of I Synergy Holdings Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period from 3 April 2015 (date of incorporation) to 31 December 2015, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 51.

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 Malaysian Financial Reporting Standards, International Financial 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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the 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.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2015 and of their financial performance and cash flows for the financial period from 3 April 2015 (date of incorporation) to 31 December 2015 in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- (c) The audit reports on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) 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.



Crowe Horwath
Firm No: AF 1018
Chartered Accountants
14 March 2016
Kuala Lumpur



Chan Kuan Chee
Approval No: 2271/10/17 (J)
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AT 31 DECEMBER 2015

	Note	The Group RM	The Company RM
ASSETS			
NON-CURRENT ASSETS			
Investment in a subsidiary	5	-	5,000,000
Goodwill on consolidation	6	8,699,422	-
Equipment	7	1,559,568	-
		<u>10,258,990</u>	<u>5,000,000</u>
CURRENT ASSETS			
Inventories	8	26,919	-
Trade receivables	9	932,126	-
Other receivables, deposits and prepayments	10	2,153,289	-
Cash and cash equivalents	11	13,829,429	-
		<u>16,941,763</u>	<u>-</u>
TOTAL ASSETS		<u>27,200,753</u>	<u>5,000,000</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	12	5,000,000	5,000,000
Accumulated losses		(2,253,604)	(423,239)
TOTAL EQUITY		<u>2,746,396</u>	<u>4,576,761</u>
NON-CURRENT LIABILITIES			
Hire purchase payable	13	173,463	-
Deferred revenue	14	17,691,917	-
		<u>17,865,380</u>	<u>-</u>
CURRENT LIABILITIES			
Trade payables	15	87,469	-
Other payables and accruals	16	5,236,193	40,154
Amount owing to a subsidiary	17	-	383,085
Amount owing to a director	18	7,744	-
Amount owing to a related party	19	1,216,855	-
Hire purchase payable	13	40,716	-
		<u>6,588,977</u>	<u>423,239</u>
TOTAL LIABILITIES		<u>24,454,357</u>	<u>423,239</u>
TOTAL EQUITY AND LIABILITIES		<u>27,200,753</u>	<u>5,000,000</u>

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD FROM 3 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	Note	The Group RM	The Company RM
REVENUE	20	40,259,360	-
COST OF SALES		(39,868,208)	-
GROSS PROFIT		391,152	-
OTHER INCOME		376,742	-
SELLING AND DISTRIBUTION EXPENSES		(286,801)	-
ADMINISTRATIVE EXPENSES		(2,703,496)	(423,239)
FINANCE COST		(31,201)	-
LOSS FOR THE FINANCIAL PERIOD	21	(2,253,604)	(423,239)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL PERIOD		(2,253,604)	(423,239)
LOSS FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:- Owners of the Company		(2,253,604)	(423,239)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:- Owners of the Company		(2,253,604)	(423,239)

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL PERIOD FROM 3 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

The Group	Share Capital RM	Accumulated Losses RM	Total RM
Balance at 3.4.2015 (date of incorporation)	5,000,000	-	5,000,000
Loss for the financial period/Total comprehensive expenses for the financial period	-	(2,253,604)	(2,253,604)
Balance at 31.12.2015	5,000,000	(2,253,604)	(2,746,396)

The Company	Share Capital RM	Accumulated Losses RM	Total RM
Balance at 3.4.2015 (date of incorporation)	5,000,000	-	5,000,000
Loss for the financial period/Total comprehensive expenses for the financial period	-	(423,239)	(423,239)
Balance at 31.12.2015	5,000,000	(423,239)	4,576,761

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL PERIOD FROM 3 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

	Note	The Group RM	The Company RM
CASH FLOWS FOR OPERATING ACTIVITIES			
Loss for the financial period		(2,253,604)	(423,239)
Adjustments for:-			
Depreciation of equipment		148,398	-
Hire purchase interest expense		31,201	-
Loss on disposal of equipment		33,462	-
Interest income		(182,059)	-
Operating loss before working capital changes		(2,222,602)	(423,239)
Increase in inventories		(2,510)	-
(Increase)/Decrease in trade and other receivables		(2,456,545)	40,154
Increase in trade and other payables		4,673,744	-
CASH FLOWS FOR OPERATIONS		(7,913)	(383,085)
Interest paid		(31,201)	-
NET CASH FOR OPERATING ACTIVITIES		(39,114)	(383,085)
CASH FLOWS FROM/(FOR) INVESTING ACTIVITIES			
Acquisition of a subsidiary, net of cash acquired	23	11,362,385	-
Interest received		182,059	-
Proceeds from disposal of equipment		116,038	-
Purchase of equipment		(973,262)	-
NET CASH FROM/(FOR) INVESTING ACTIVITIES		10,687,220	-
CASH FROM FINANCING ACTIVITIES			
Advances from a subsidiary		-	383,085
Advances from a director		7,744	-
Advance from a related party		3,350,044	-
Repayment of hire purchase payables		(176,465)	-
NET CASH FROM FINANCING ACTIVITIES		3,181,323	383,085
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,829,429	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD		-	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD		13,829,429	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD FROM 3 APRIL 2015 (DATE OF INCORPORATION) TO 31 DECEMBER 2015

1. General Information

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office : B-1-15, Block B, 8 Avenue,
Jalan Sungai Jemih 8/1,
Section 8,
46050 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : Unit 20-10, Tower A, The Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 14 March 2016.

2. Principal Activities

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiary are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

3. Basis of Preparation

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3. Basis of Preparation (Cont'd)

- 3.1 During the current financial period, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions

Annual Improvements to MFRSs 2010 – 2012 Cycle

Annual Improvements to MFRSs 2011 – 2013 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

During the financial period, the Group early adopted MFRS 15, requiring the Group to review the measurement and timing of when revenue is recognised.

The adoption of MFRS 15 on the Group's recognition of revenue affected its affiliates marketing activities, whereby it had identified separate performance obligations arising from its upfront licence fee and has deferred revenue for performance obligation that are only satisfied on delivery to its customers.

3. Basis of Preparation (Cont'd)

- 3.2 The Group has not applied in advance the following accounting standards and interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial impact on the financial statements of the Group upon their initial application.

4. Significant Accounting Policies

4.1 Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management 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 Group'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 Equipment

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

The Group 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.

(b) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(c) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loans and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(d) Allocation of the Transaction Price to the Performance Obligations

When the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

4. Significant Accounting Policies (cont'd)

4.1 Critical Accounting Estimates and Judgements (cont'd)

(d) Allocation of the Transaction Price to the Performance Obligations (Cont'd)

If a standalone selling price is not directly observable, the Group will need to estimate it using adjusted market assessment approach, expected cost plus a margin approach and residual approach.

Determining the appropriate amount to allocate to the separate performance obligations require judgments. Factors that management might consider when estimating the amount to allocate to the contract's performance obligations include historical data, expected renewal rates, budgets, data used to set the pricing terms of the contract arrangement and/or discussions with the customer during or after negotiations about the arrangement.

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

4. Significant Accounting Policies (Cont'd)

4.2 Basis of Consolidation (Cont'd)

(b) Non-Controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) Changes in Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

- (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and
- (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. Significant Accounting Policies (Cont'd)

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount may be impaired. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognised as a gain in profit or loss.

4.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

4. Significant Accounting Policies (Cont'd)

4.5 Financial Instruments

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

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

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

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

(a) Financial Assets

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

(i) Financial Assets at Fair Value through Profit or Loss

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

(ii) Held-to-maturity Investments

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

4. Significant Accounting Policies (Cont'd)

4.5 Financial Instruments (Cont'd)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

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

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

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

(b) Financial Liabilities

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

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

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

4. Significant Accounting Policies (Cont'd)

4.5 Financial Instruments (Cont'd)

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4. Significant Accounting Policies (Con'td)

4.6 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.7 Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Computers, handphone and printer	20%
Furniture and fittings	10%
Merchant equipment	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%
Signage	10%
Software	20%

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

4. Significant Accounting Policies (Cont'd)

4.7 Equipment (Cont'd)

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

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

4.8 Impairment

(a) Impairment of Financial Assets

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

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. Significant Accounting Policies (Cont'd)

4.8 Impairment (Cont'd)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period 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 of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss.

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

4.9 Assets Under Hire Purchase

Assets acquired under hire purchase are capitalised in the financial statements at the lower of the fair value of the leased assets and the present value of the minimum lease payments and, are depreciated in accordance with the policy set out in Note 4.7 above. Each hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. Finance charges are recognised in profit or loss over the period of the respective hire purchase agreements.

4. Significant Accounting Policies (Cont'd)

4.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale.

4.11 Income Taxes

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period 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 future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to 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 assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

4. Significant Accounting Policies

4.11 Income Taxes (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination 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.

4.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity periods of three months or less.

4.13 Employee Benefits

(a) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss, in the period in which the associated services are rendered by employees of the Group.

(b) Defined Contribution Plans

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

4. Significant Accounting Policies (Cont'd)

4.14 Related Parties

A party is related to an entity (referred to as the “reporting entity”) if:-

- (a) A person or a close member of that person’s family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:-
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
 - (vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. Significant Accounting Policies (Cont'd)

4.15 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.16 Revenue and Other Income

(a) Revenue from contracts with customers

Revenue which represents income arising in the course of the Group's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and its customer has approved the contract and intend to perform their respective obligations, the Group's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group will collect the consideration to which it will be entitled to in exchange of those goods or services.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue and Other Income

(a) Revenue from contracts with customers (cont'd)

Recognition and measurement

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and/or implied in the Group's customary business practices. A good or service is distinct if:-

- (i) the customer can either benefit from the good or service on its own or together with other readily available resources; and
- (ii) the good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or significantly modify, or highly interrelated with, other goods or services promised in the contract).

If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. If a standalone selling prices is not directly observable, the Group will need to estimate it using adjusted market assessment approach, expected cost plus a margin approach and residual approach.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue and Other Income (Cont'd)

(a) Revenue from contracts with customers (cont'd)

Recognition and measurement (cont'd)

Control over the goods or services are transferred over time and revenue is recognised over time if:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group's performance creates or enhances a customer-controlled asset; or
- (iii) the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Specific revenue recognition criteria for each of the Group's activities are as described below.

(i) Revenue from software platform activation

Revenue from software platform activation is recognised upon the deployment of the platform's software and technology for the customer, namely the affiliates marketer use to conduct offline and online marketing business. The deployment process is all of the activities undertaken to customise the software platform according to specific characteristics of the program performance incentives as stipulated in the contract with affiliates and to activate some form of command relating to software component for affiliates execution when using the software platform. The performance obligation is satisfied at a point in time upon completion of the software deployment process.

(ii) Revenue from training and business support tool kit and related material

Revenue is recognised upon provision of training and training materials to the new affiliates. The performance obligation is satisfied at a point in time upon completion of the training course.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue and Other Income (Cont'd)

(b) Revenue from contracts with customers (cont'd)

Recognition and measurement (cont'd)

At the inception of each contract with customer, the Group assesses the contract to identify distinct performance obligations, being the units of account that determine when and how revenue from the contract with customer is recognised. A performance obligation is a promise to transfer a distinct good or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and/or implied in the Group's customary business practices. A good or service is distinct if:-

- I. the customer can either benefit from the good or service on its own or together with other readily available resources; and
- II. the good or service is separately identifiable from other promises in the contract (e.g. the good or service is not integrated with, or significantly modify, or highly interrelated with, other goods or services promised in the contract).

If a good or service is not distinct, the Group combines it with other promised goods or services until the Group identifies a distinct performance obligation consisting a distinct bundle of goods or services.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, performance bonuses, penalties or other similar items, the Group estimates the amount of consideration that it expects to be entitled based on the expected value or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. If the contract with customer contains more than one distinct performance obligation, the amount of consideration is allocated to each distinct performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract. If a standalone selling prices is not directly observable, the Group will need to estimate it using adjusted market assessment approach, expected cost plus a margin approach and residual approach.

The consideration allocated to each performance obligation is recognised as revenue when or as the customer obtains control of the goods or services. At the inception of each contract with customer, the Group determines whether control of the goods or services for each performance obligation is transferred over time or at a point in time.

4. Significant Accounting Policies (Cont'd) S

4.16 Revenue and Other Income (Cont'd)

(a) Revenue from contracts with customers (cont'd)

Recognition and measurement (cont'd)

Control over the goods or services are transferred over time and revenue is recognised over time if:

- (i) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- (ii) the Group's performance creates or enhances a customer-controlled asset; or
- (iii) the Group's performance does not create an asset with alternative use and the Group has a right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

Specific revenue recognition criteria for each of the Group's activities are as described below.

(i) Revenue from software platform activation

Revenue from software platform activation is recognised upon the deployment of the platform's software and technology for the customer, namely the affiliates marketer use to conduct offline and online marketing business. The deployment process is all of the activities undertaken to customise the software platform according to specific characteristics of the program performance incentives as stipulated in the contract with affiliates and to activate some form of command relating to software component for affiliates execution when using the software platform. The performance obligation is satisfied at a point in time upon completion of the software deployment process.

(ii) Revenue from training and business support tool kit and related material

Revenue is recognised upon provision of training and training materials to the new affiliates. The performance obligation is satisfied at a point in time upon completion of the training course.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue and Other Income (Cont'd)

(a) Revenue from contracts with customers (cont'd)

Recognition and measurement (cont'd)

(iii) Revenue from licence right to access

The licence arrangement gives the affiliates the right to access the platform services as it exists over certain period of time granted under the contract. The Group's performance obligation during the licensed period is provision of affiliate management services such as monitoring of transaction traffic conducted by referred customer and, coordination and execution of compensation payment of program fee to affiliate based on affiliates' program performance incentive terms and to customer based on affiliate program incentive.

The revenue from licence right to access is recognised over time when the Group met all the following criteria:-

- (a) the Group will undertake either contractually or based on customary business practices activities that significantly affect the software platform to which the affiliate has rights.
- (b) the Group's activities do not otherwise transfer a good or services to the affiliates as they occur.
- (c) the rights granted by the licence directly expose the affiliates to both positive and negative effects of the activities on the software platform and the affiliates entered into the contract with the intent of being exposed to those effects.

Deferred revenue are licence fee received upfront and allocated to performance obligation in respect of software platform licences that are unsatisfied as at the end of the reporting period. Licences that provide access are performance obligations satisfied over time and, therefore, deferred revenue is recognised over the license period.

(iv) Revenue from affiliate program

Revenue from affiliate program is determined based on total discount rate allocated by the customer, namely the merchant (also known as retailer or brand) computed based on each successful sale transaction referred.

(b) Sale of Goods

Revenue is measured at fair value of the consideration received and receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

4. Significant Accounting Policies (Cont'd)

4.16 Revenue and Other Income (Cont'd)

(c) Seminar and event activity income

Seminar and event activity income are recognised upon rendering of services and when the outcome of the transaction could not be estimated reliably, revenue is recognized to the extent of the expenses incurred that are recoverable.

(d) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

5. Investment in a Subsidiary

	The Company RM
Unquoted shares, at cost	5,000,000

Details of the subsidiary are as follows:-

Name of Subsidiary	Country of Incorporation	Effective Equity Interest 2015 %	Principal Activities
I Synergy International (M) Sdn. Bhd.	Malaysia	100	Business of affiliate marketing and related affiliate management services for commercial industry.

On 31 May 2015, the Company acquired 100,000 ordinary shares of RM1.00 each representing 100% equity interest in I Synergy International (M) Sdn. Bhd. for a total consideration of RM5,000,000.

6. Goodwill on Consolidation

	The Group RM
At 3 April (date of incorporation)	-
Acquisition of a new subsidiary	8,699,422
Impairment loss	-
At 31 December 2015	<u>8,699,422</u>

The Group has assessed the recoverable amount of its affiliate marketing business and determined that no impairment is required. The recoverable amount of the cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	2015 %
Gross margin	1.2
Growth rate	5.0
Discount rate	<u>15.0</u>

- | | |
|-------------------------------|---|
| (i) Budgeted gross margin | Average gross margin achieved in the year immediately before the budgeted period increased for expected efficiency improvements and cost saving measures. |
| (ii) Growth rate | Based on the expected projection of the affiliate marketing business. |
| (iii) Discount rate (pre-tax) | Reflects specific risks relating to the relevant operating segments. |

The directors believe that there is no reasonable possible change in the above key assumptions applied that is likely to materially cause the cash-generating unit carrying amount to be exceeded its recoverable amount.

7. Equipment

	At 3.4.2015 (date of incorporation) RM	Acquisition of a subsidiary (Note 23) RM	Addition RM	Disposal RM	Depreciation Charge RM	At 31.12.2015 RM
The Group						
Net Book Value						
Computers, handphone and printer	-	12,130	10,830	-	(2,258)	20,702
Furniture and fittings	-	22,398	29,201	-	(2,492)	49,107
Merchant equipment	-	153,784	187,775	-	(14,103)	327,456
Motor vehicles	-	493,037	370,800	(149,500)	(97,706)	616,631
Office equipment	-	26,660	68,431	-	(3,712)	91,379
Renovation	-	83,918	277,325	-	(13,511)	347,732
Signboard	-	2,140	5,400	-	(275)	7,265
Software	-	90,137	23,500	-	(14,341)	99,296
	-	884,204	973,262	(149,500)	(148,398)	1,559,568

The Group	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2015			
Computers, handphone and printer	25,682	(4,980)	20,702
Furniture and fittings	54,324	(5,217)	49,107
Merchant equipment	351,150	(23,694)	327,456
Motor vehicles	837,481	(220,850)	616,631
Office equipment	97,943	(6,564)	91,379
Renovation	367,695	(19,963)	347,732
Signboard	7,800	(535)	7,265
Software	132,437	(33,141)	99,296
	1,874,512	(314,944)	1,559,568

Included in the net book value of equipment of the Group at the end of the reporting period was a motor vehicle with net book value of RM198,264, which was required under hire purchases terms.

The motor vehicles with a total net book value of RM525,804 is held in trusts by a director of the Company.

8. Inventories

	The Group RM
At cost:-	
Finished goods	26,919
	<hr/>

None of the inventories are stated at net realisable value.

9. Trade Receivable

The Company's normal trade credit terms range from 30 to 60 days.

10. Other Receivables, Deposits and Repayments

	The Group RM
Other receivable	1,271,014
Deposits	843,184
Prepayments	39,091
	<hr/>
	2,153,289
	<hr/>

11. Cash and Cash Equivalents

	The Group RM
Cash and bank balances	1,765,521
Short-term investments with licensed financial institutions	12,063,908
	<hr/>
	13,829,429
	<hr/>

The short-term investments are highly liquid investments in fixed income securities, Islamic money market fund and money market instruments that are readily convertible to known amounts of cash.

12. Share Capital

Ordinary Shares Of RM0.02 Each:-	The Company	
	Number Of Shares	RM
Authorised		
At 3 April 2015 (date of incorporation)	20,000,000	400,000
Addition	480,000,000	9,600,000
At 31 December 2015	500,000,000	10,000,000
Issued And Fully Paid-Up		
At 3 April 2015 (date of incorporation)	200	4
Addition	249,999,800	4,999,996
At 31 December	250,000,000	5,000,000

The Company was incorporated with an authorised share capital of RM400,000 comprising 20,000,000 ordinary shares of RM0.02 each, of which 200 ordinary shares of RM0.02 each were subscribed for on the date of incorporation.

During the financial period,

- (a) the Company increased its authorized share capital from RM400,000 to RM10,000,000 by the creation of 480,000,000 new ordinary shares of RM0.02 each; and
- (b) the Company increased its issued and paid-up share capital from RM4 to RM5,000,000 by the allotment of 249,999,800 new ordinary shares of RM0.02 each at par for the acquisition of equity interests in a subsidiary as disclosed in Note 5 to the financial statements. The shares were issued for consideration in kind other than cash. The new shares issued rank pari passu in all respects with the existing shares of the Company.

13. Hire Purchase Payable

	The Group RM
Minimum hire purchase payments:	
- not later than one year	47,328
- later than one year and not later than five years	185,368
- later than five years	11,820
	<hr/>
	244,516
Less: Future finance charges	(30,337)
	<hr/>
Present value of hire purchase payable	214,179
	<hr/>
<u>Current</u>	
Not later than one year	40,716
<u>Non-Current</u>	
Later than one year and not later than five years	162,864
Later than five years	10,599
	<hr/>
	173,463
	<hr/>
	214,179
	<hr/>

The hire purchase payable bore an effective interest rate of 4.37% as at the end of the reporting period.

14. Deferred Revenue

Deferred revenue represents the amount of transaction price received upfront and allocated to performance obligation in respect of software platform licences that are unsatisfied as at the end of the reporting period. The software platform license provide for the rights to access the Group's affiliate marketing system as it exists throughout the licensed period. Licences that provide access are performance obligations satisfied over time and, therefore, deferred revenue is recognised over the licensed period.

15. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 60 days.

16. Other Payable and Accruals

	The Group RM	The Company RM
Other payables	5,175,193	17,154
Accruals	61,000	23,000
	<u>5,236,193</u>	<u>40,154</u>

Included in other payable of the Group is commission payable to affiliates amounting to approximately RM3.6 million.

17. Amount Owing to a Subsidiary

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

18. Amount Owing to a Director

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

19. Amount Owing to a Related Party

The amount owing is non-trade in nature, unsecured, interest-free and repayable on demand. The amount owing is to be settled in cash.

20. Revenue

Revenue of the Group represents software activation, training, licence right to access and affiliate program fees earned and invoiced value of seminar and event, and merchandise sales.

21. Loss Before Taxation

	The Group RM	The Company RM
Loss for the financial year is arrived at after charging/(crediting):-		
Audit fee	70,800	23,000
Depreciation of equipment	148,398	-
Director remuneration	911,606	-
Hire purchase interest expense	31,201	-
Loss on disposal of equipment	33,462	-
Rental equipment	4,461	-
Rental of premises	22,531	-
Staff costs:-		
- salaries, bonuses, commissions and allowances	487,654	-
- defined contribution plan (EPF)	58,422	-
- others	96,044	-
Interest income	(182,059)	-

22. Income Tax Expense

The Company is not subject to tax as it is in a tax loss position.

The statutory tax rate will be reduced to 24% from the current financial year's rate of 25%, effective year of assessment 2016.

23. Acquisition of a Subsidiary

The details of net liabilities acquired and cash flow arising from the acquisition of the subsidiaries are as follows:-

	THE GROUP		THE COMPANY	
	Acquirees' carrying amount RM	Fair value recognised on acquisition RM	Acquirees' carrying amount RM	Fair value recognised on acquisition RM
Equipment	884,204	884,204	884,204	884,204
Current assets	7,524,944	7,524,944	7,524,944	7,524,944
Cash and cash equivalents	11,362,385	11,362,385	11,362,385	11,362,385
Current liabilities	(10,325,307)	(10,325,307)	(10,325,307)	(10,325,307)
Hire purchase payables	(390,644)	(390,644)	(390,644)	(390,644)
Deferred revenue	(12,755,004)	(12,755,004)	(12,755,004)	(12,755,004)
Fair value of net liabilities acquired	(3,699,422)	(3,699,422)	(3,699,422)	(3,699,422)
Goodwill on acquisition	8,699,422	8,699,422	8,699,422	8,699,422
Total purchase consideration	5,000,000	5,000,000	5,000,000	5,000,000
Purchase consideration satisfied by the issuance of new ordinary shares	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
	-	-	-	-
Less: Cash and cash equivalents of subsidiary acquired	(11,362,385)	(11,362,385)		
Cash inflow on acquisition of subsidiary	(11,362,385)	(11,362,385)		

24. Significant Related Party Disclosures

(a) Identities of Related Parties

In addition to the information detailed elsewhere in the financial statements, the Group has related party relationships with its directors, key management personnel and entities within the same group of companies.

(b) In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial period:-

	The Group RM	The Company RM
I Synergy Universal Sdn. Bhd.		
- Annual subscription fee	57,050	-
- Platform fee	12,993,570	-
- Activation code	392,488	-
Triple Gem Sdn. Bhd.		
- Office rental	30,900	-
	<hr/>	<hr/>
(c) Key management personnel compensation:		
- short-term employee benefits	911,606	-
	<hr/>	<hr/>

25. Financial Instruments

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

25.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Company does not have any transactions or balances denominated in foreign currencies and hence is not exposed to foreign currency risk.

(ii) Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence is not exposed to interest rate risk.

(iii) Equity Price Risk

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

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit risk concentration profile

The Group does not have any major concentration of credit risk related to any individual customer or counterparty.

25. Financial Instruments (Cont'd)

25.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (cont'd)

(ii) Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

(iii) Ageing analysis

The ageing analysis of the Group's trade receivables at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Collective Impairment RM	Carrying Value RM
Not past due	445,902	-	-	445,902
Past due:				
- less than 3 months	137,604	-	-	137,604
- 3 to 6 months	285,989	-	-	285,989
- over 6 months	62,631	-	-	62,631
	932,126	-	-	932,126

25. Financial Instruments (Cont'd)

25.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Ageing analysis (Cont'd)

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 120 days, which are deemed to have higher credit risk, are monitored individually.

25. Financial Instruments (Cont'd)

25.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances.

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

The Group 2015	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1- 5 Years RM	More than 5 Years
Trade payables	-	87,469	87,469	87,469	-	-
Other payables and accruals	-	5,236,193	5,236,193	5,236,193	-	-
Amount owing to a related party	-	1,216,855	1,216,855	1,216,855	-	-
Amount owing to a director	-	7,744	7,744	7,744	-	-
Hire purchase payables	4.37	214,179	244,516	47,328	185,368	11,820
		6,762,440	6,792,777	6,595,589	185,368	11,820

25. Financial Instruments (Cont'd)

25.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

The Company	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2015					
Other payables and accruals	-	40,154	40,154	40,154	-
Amount owing to a subsidiary	-	383,085	383,085	383,085	-
		423,239	423,239	423,239	-

25. Financial Instruments (Cont'd)

25.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total borrowings from financial institutions.

25. Financial Instruments (Cont'd)

25.3 Classification of Financial Instruments

	The Group RM	The Company RM
Financial Assets		
<u>Loans and receivables financial assets</u>		
Trade receivables	932,126	-
Cash and cash equivalents	13,829,429	-
Other receivables and deposits	2,114,196	-
	<hr/>	<hr/>
	16,875,751	-
	<hr/>	<hr/>
Financial Liabilities		
<u>Other financial liabilities</u>		
Trade payables	87,469	-
Other payables and accruals	5,236,193	40,154
Amount owing by a subsidiary	-	383,085
Amount owing to a director	7,744	-
Amount owing to a related party	1,216,855	-
Hire purchase payables	214,179	-
	<hr/>	<hr/>
	6,762,440	423,239
	<hr/>	<hr/>

25.4 Fair Value Information

At the end of the reporting period, there was no financial instrument carried at fair values.

The fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The fair values are determined by discounting the relevant cash flows at rates equal to the current market interest rate plus appropriate credit rating, where necessary. The fair values are included in level 2 of the fair value hierarchy.

26. Comparative Figures

No comparative figures are available as this is the first set of financial statements prepared by the Company since incorporation.

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STOCK EXCHANGE INFORMATION

TOP 10 ORDINARY SHAREHOLDERS AS AT 31 DECEMBER 2015

Shareholder	Shares	% of Issued
DATO TEO CHEE HONG	167,400,000	66.96
ONG SIEW PIK	12,500,000	5.000
MEI LING WONG	12,499,000	4.999
ONG SIW HUT	12,235,000	4.894
ONG HAN KEONG	10,050,000	4.02
CHU CHUNG PIOW	10,050,000	4.02
CHEW YEE LEY	9,975,000	3.990
ANG HUI LIANG	9,920,000	3.968
MOHAMMAD YAZID BIN DAUD	505,000	0.202
ISHARIZAT BIN IBRAHIM	320,000	0.128



Innovative.Synergy

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