Company No:
1011948 - T

MRUNCIT COMMERCE SDN. BHD. (1011948 - T)

(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2015

Company No:
1011948 - T

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

CONTENTS

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of developing and selling software and e-commerce. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	RM
Loss for the financial year	133,728

DIVIDEND

No dividend has been paid, declared or proposed by the Company since the end of the previous financial year. The Directors do not recommend the payment of any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company is increased from RM800,000 to RM890,000 by way of issuance of 90,000 new ordinary shares of RM1.00 each at par and that the consideration was set-off against amounts owing to shareholders.

The newly issued shares rank pari passu in all respect with the existing shares of the Company. The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

The Directors who have held office since the date of the last report are:

Loh Wee Hian
Leong Kah Chern
Lee Chin Wee
Ng Chin Kong

DIRECTORS' INTERESTS

The Directors holding office at the end of the financial year and their beneficial interests in ordinary shares in the Company and of its related corporations during the financial year ended 31 December 2015 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 in Malaysia were as follows:

	Number of ordinary shares of RM0.20 each			
	Balance as at 1.1.2015	**Bought**	**Sold**	**Balance as at 31.12.2015**
Shareholdings in which Directors have deemed interest in the Company				
GHL Systems Berhad				
Direct interests:				
Loh Wee Hian	229,137,425	-	-	229,137,425
Leong Kah Chern	965,000	85,000	(965,000)	85,000
Indirect interests:				
Loh Wee Hian	6,110,250	-	-	6,110,250

By virtue of his interest in the shares of GHL Systems Berhad, Loh Wee Hian is also deemed to be interested in the ordinary shares of the Company and all of its related corporations to the extent that GHL Systems Berhad has an interest.

DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the Directors of the Company have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for remuneration received by the Directors in their capacity as Directors of the related company.

There were no arrangements during and at the end of the financial year, to which the Company is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION REGARDING THE COMPANY

(I) AS AT THE END OF THE FINANCIAL YEAR

(a) Before the statement of profit or loss and other comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there are no known bad debts and that adequate provision had been made for doubtful debts; and

OTHER STATUTORY INFORMATION REGARDING THE COMPANY (continued)

(I) AS AT THE END OF THE FINANCIAL YEAR (continued)

(a) Before the statement of profit or loss and other comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps: (continued)

(ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.

(b) In the opinion of the Directors, the results of operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT

(c) The Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any material extent;

(ii) which would render the values attributed to the current assets in the financial statements of the Company misleading; and

(iii) which have arisen which would render adherence to the existing method of valuation of asset or liabilities of the Company misleading or inappropriate.

(d) In the opinion of the Directors:

(i) there has not arisen any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Company for the financial year in which this report is made; and

(ii) no contingent or other liability has become enforceable or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year which would or may affect the ability of the Company to meet its obligations as and when they fall due.

(III) AS AT THE DATE OF THIS REPORT

(e) There are no charges on the assets of the Company which have arisen since the end of the financial year to secure the liabilities of any other person.

(f) There are no contingent liabilities of the Company which have arisen since the end of the financial year.

(g) The Directors are not aware of any circumstances not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Company misleading.

SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

The significant event subsequent to the end of the reporting period is disclosed in Note 20 to the financial statements.

AUDITORS

The auditors, BDO, have expressed their willingness to continue in office.

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

....	....
Lee Chin Wee	**Leong Kah Chern**
Director	Director

Kuala Lumpur
29 March 2016

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 8 to 33 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance and cash flows of the Company for the financial year then ended.

On behalf of the Board,

....	....
Lee Chin Wee	**Leong Kah Chern**
Director	Director

Kuala Lumpur
29 March 2016

STATUTORY DECLARATION

I, Lee Chin Wee, being the Director primarily responsible for the financial management of MRuncit Commerce Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 8 to 33 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur this)
29 March 2016)

Before me:

PESURUHJAYA SUMPAH
No. W 663
Nama: BALOO A/L T.PICHAI
MALAYSIA

NO. 102 & 104 1st FLOOR BANGUNAN
PERSATUAN YAP SELANGOR
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50100 Kuala Lumpur
Malaysia

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRUNCIT COMMERCE SDN. BHD.

Report on the Financial Statements

We have audited the financial statements of MRuncit Commerce Sdn. Bhd., which comprise statement of financial position as at 31 December 2015 of the Company, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 33.

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.

BDO (AF 0206) Chartered Accountants, a Malaysian Partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MRUNCIT COMMERCE SDN. BHD. (continued)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2015 and of its financial performance and cash flows for the financial year then ended 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 that in our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO
AF : 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
2895/08/16 (J)
Chartered Accountant

Kuala Lumpur
29 March 2016

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	NOTE	2015 RM	2014 RM
ASSETS			
Non-current assets			
Property, plant and equipment	7	3,093	5,561
Current assets			
Inventories	8	44,301	30,492
Trade and other receivables	9	149,367	388,194
Cash and bank balances	10	189,764	115,658
		383,432	534,344
TOTAL ASSETS		386,525	539,905
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	11	890,000	800,000
Accumulated losses		(756,463)	(622,735)
TOTAL EQUITY		133,537	177,265
LIABILITIES			
Current liabilities			
Trade and other payables	12	252,988	362,640
TOTAL LIABILITIES		252,988	362,640
TOTAL EQUITY AND LIABILITIES		386,525	539,905

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

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	NOTE	2015 RM	2014 RM
Revenue	13	260,657	710,659
Cost of sales		(25,391)	(118,067)
Gross profit		235,266	592,592
Other income		11,298	510
Administrative expenses		(365,128)	(522,170)
Other operating expenses		(15,062)	(2,333)
(Loss)/Profit before taxation	14	(133,626)	68,599
Taxation	15	(102)	-
(Loss)/Profit for the financial year		(133,728)	68,599
Other comprehensive income, net of tax		-	-
Total comprehensive (loss)/income for the financial year		(133,728)	68,599

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

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	Share capital RM	Accumulated losses RM	Total RM
Balance as at 1 January 2014		800,000	(691,334)	108,666
Profit for the financial year		-	68,599	68,599
Other comprehensive income, net of tax		-	-	-
Total comprehensive income		-	68,599	68,599
Balance as at 31 December 2014		800,000	(622,735)	177,265
Loss for the financial year		-	(133,728)	(133,728)
Other comprehensive income, net of tax		-	-	-
Total comprehensive loss		-	(133,728)	(133,728)
Transaction with owners				
Issuance of ordinary shares	11	90,000	-	90,000
Balance as at 31 December 2015		890,000	(756,463)	133,537

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

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED DECEMBER 2015

	NOTE	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(133,626)	68,599
Adjustments for:			
Depreciation of property, plant and equipment	7	2,468	2,333
Impairment loss on trade receivable	9	12,594	-
Interest income		(390)	(510)
Operating (loss)/profit before changes in working capital		(118,954)	70,422
Changes in working capital			
Increase in inventories		(13,809)	(7,290)
Decrease/(Increase) in trade and other receivables		226,233	(246,389)
Increase in trade and other payables		16,359	69,828
Cash generated from/(used in) operations		109,829	(113,429)
Interest received		390	510
Tax paid		(102)	-
Net cash from/(used in) operating activities		110,117	(112,919)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of plant and equipment	7	-	(3,231)
Net cash used in investing activity		-	(3,231)
CASH FLOWS FROM FINANCING ACTIVITIES			
Advances from shareholders		13,989	59,026
(Repayments to)/Advances from a Director		(50,000)	50,000
Net cash (used in)/from financing activities		(36,011)	109,026
Net increase/(decrease) in cash and cash equivalents		74,106	(7,124)
Cash and cash equivalents at beginning of financial year		115,658	122,782
Cash and cash equivalents at end of financial year	10	189,764	115,658

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

MRUNCIT COMMERCE SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015

1. CORPORATE INFORMATION

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

The registered office of the Company is located at No. 61-6B, Suite 1, Jalan SS2/75, 47300 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No.3, Jalan 51A/227, 46100 Petaling Jaya, Selangor Darul Ehsan.

The financial statements are presented in Ringgit Malaysia ("RM"), which is also the functional currency of the Company.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors on 29 March 2016.

2. PRINCIPAL ACTIVITIES

The Company is principally in the business of developing and selling software and e-commence. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the provisions of the Companies Act, 1965 in Malaysia.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

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 would flow to the Company and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of plant and 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 Company is obligated to incur when the asset is acquired, if applicable.

Each part of an item of plant and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Computer hardware	3 years
Office equipment	5 years

At the end of each reporting period, the carrying amount of an item of plant and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (see Note 4.6 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the carrying amount is included in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost is determined using the first-in, first-out formula. The cost comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

4.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Company.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Company.

Financial instruments are recognised on the statement of financial position when the Company has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

(a) Financial assets (continued)

(i) Financial assets at fair value through profit or loss (continued)

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial assets classified as fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that is linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loans and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

(a) Financial assets (continued)

(iv) Available-for-sale financial assets (continued)

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the right of the Company to receive payment is established.

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Company in the management of their short term commitments.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

(b) Financial liabilities (continued)

(i) Financial liabilities at fair value through profit or loss (continued)

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such income is recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a 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.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

(c) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are classified as equity instruments.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Financial instruments (continued)

(c) Equity (continued)

Ordinary shares are recorded at the nominal value and proceeds in excess of the nominal value of shares issued, if any, are accounted for as share premium. Both ordinary shares and share premium are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Otherwise, they are charged to profit or loss.

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

The Company measures a liability to distribute non-cash assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at the end of each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Company recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

4.5 Impairment of financial assets

The Company assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Company collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment includes historical collection rates determined on an individual basis and observable changes that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Impairment of non-financial assets

The carrying amounts of assets, except for financial assets and inventories, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ("CGU") to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU, exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU.

The impairment loss is recognised in profit or loss immediately.

An impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such reversals are recognised as income immediately in profit or loss.

4.7 Income taxes

Income taxes include all domestic and foreign taxes on taxable profit.

Taxes in the profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax expenses are determined according to the tax laws of the jurisdiction in which the Company operates and includes all taxes based upon taxable profits.

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.7 Income taxes (continued)

(b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profit would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable profit would be available, such reductions would be reversed to the extent of the taxable profits.

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 on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates by the Government in the annual budgets which have substantive effect of actual enactment by the end of the reporting period.

4.8 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions for restructuring are recognised when the Company has approved a detailed formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Provisions (continued)

Provisions are not recognised for future operating losses. If the Company has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4.9 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

4.10 Employee benefits

(a) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur and they lapse if the current period's entitlement is not used in full and do not entitle employees to a cash payment for unused entitlement on leaving the Company.

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

(b) Defined contribution plan

The Company makes contributions to a statutory provident fund. The contributions are recognised as a liability after deducting any contribution already paid and as an expense in the period in which the employees render their services.

4.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable net of discounts and rebates.

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Revenue recognition (continued)

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Company, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Company, as follows:

(a) Sale of goods

Revenue from sale of goods is recognised when significant risk and rewards of ownership of the goods has been transferred to the customer and where the Company does not have continuing managerial involvement over the goods, which coincides with the delivery of goods and acceptance by customers.

(b) Services rendered

Revenue in respect of the rendering of services is recognised upon services are performed.

(c) Interest income

Interest income is recognised as it accrues, using the effective interest method.

4.12 Fair value measurements

The fair value of an asset or a liability is determined as 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. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Company measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Company has considered the following characteristics when determining fair value:

(a) The condition and location of the asset; and

(b) Restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant 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.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

(a) A liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Fair value measurements (continued)

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that: (continued)

(b) An entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

5.1 New MFRSs adopted during the current financial period

The Company adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year.

Title	Effective Date
Amendments to MFRS 119 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Amendments to MFRSs *Annual Improvements 2010 - 2012 Cycle*	1 July 2014
Amendments to MFRSs *Annual Improvements 2011 - 2013 Cycle*	1 July 2014

There is no material effect upon the adoption of the above amendments during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by the Company.

Title	Effective Date
MFRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to MFRS 101 *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 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*	1 January 2016
Amendments to MFRS 127 *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to MFRSs *Annual Improvements to 2012-2014 Cycle*	1 January 2016
MFRS 9 *Financial Instruments (IFRS as issued by IASB in July 2014)*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 10 and MFRS 128 *Sale or Contribution of Assets between an Investor and its Associates or Joint Venture*	Deferred

The Company is in the process of assessing the impact of implementing these accounting standards, amendments and interpretation, since the effects would only be observable for the future financial years.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors are of the opinion that there are no significant changes in estimates at the end of the reporting period.

6.2 Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(a) Depreciation of property, plant and equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over the useful lives of the assets. Management estimates the useful lives of the plant and equipment as disclosed in Note 4.2. These are common life expectancies applied in the industry. Changes in the expected level of usage could have impact on the useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Impairment of receivables

The Company makes impairment losses on receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyses historical bad debt, customer creditworthiness, current economic trends and changes in payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

7. PROPERTY, PLANT AND EQUIPMENT

2015	Balance as at 1.1.2015 RM	Depreciation charges for the financial year RM	Balance as at 31.12.2015 RM
Carrying amount			
Computer hardware	4,210	(2,118)	2,092
Office equipment	1,351	(350)	1,001
	5,561	(2,468)	3,093

	At 31.12.2015		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer hardware	6,353	(4,261)	2,092
Office equipment	1,753	(752)	1,001
	8,106	(5,013)	3,093

2014	Balance as at 1.1.2014 RM	Additions RM	Depreciation charges for the financial year RM	Balance as at 31.12.2014 RM
Carrying amount				
Computer hardware	3,437	2,755	(1,982)	4,210
Office equipment	1,226	476	(351)	1,351
	4,663	3,231	(2,333)	5,561

	At 31.12.2014		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer hardware	6,353	(2,143)	4,210
Office equipment	1,753	(402)	1,351
	8,106	(2,545)	5,561

8. INVENTORIES

	2015 RM	2014 RM
At cost		
Finished goods	44,301	30,492

During the financial year, inventories of the Company recognised as cost of sales amounted to RM25,391 (2014: RM118,067).

9. TRADE AND OTHER RECEIVABLES

	2015 RM	2014 RM
Trade receivables		
Third parties	39,083	185,909
Less: Impairment losses		
- third parties	(12,594)	-
	26,489	185,909
Other receivables		
Other receivables	60,878	172,285
Deposits	62,000	30,000
	122,878	202,285
	149,367	388,194

(a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Company ranges from 10 to 20 days (2014: 10 to 20 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) Trade and other receivables are denominated in Ringgit Malaysia.

(c) The ageing analysis of trade receivables of the Company are as follows:

	2015 RM	2014 RM
Neither past due nor impaired	20,299	184,479
Past due but not impaired:		
Less than 30 days	-	-
31 to 90 days	-	-
More than 90 days	6,190	1,430
	6,190	1,430
	26,489	185,909
Past due and impaired	12,594	-
	39,083	185,909

9. TRADE AND OTHER RECEIVABLES (continued)

(c) The ageing analysis of trade receivables of the Company are as follows: (continued)

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company. None of the Company's trade receivables that are neither past due not impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables that are past due but not impaired relate to a number of third party customers with no recent history of default.

Receivables that are past due and impaired

Trade receivables of the Company that are past due and individually impaired at the end of each reporting period are as follows:

	Individually impaired	
	2015	**2014**
	RM	**RM**
Trade receivables, gross	12,594	-
Less: Impairment losses	(12,594)	-
	-	-

(d) The reconciliation of movement in the impairment losses are as follows:

	2015	**2014**
	RM	**RM**
Trade receivables		
At 1 January	-	-
Charge for the financial year	12,594	-
At 31 December	12,594	-

(e) Information on financial risks of trade and other receivables is disclosed in Note 19 to the financial statements.

10. CASH AND BANK BALANCES

	2015	**2014**
	RM	**RM**
Cash and bank balances	189,764	115,658

(a) Cash and bank balances are denominated in Ringgit Malaysia.

(b) Information on financial risks of cash and bank balances is disclosed in Note 19 to the financial statements.

11. SHARE CAPITAL

	2015		2014	
	Number of shares	RM	Number of shares	RM
Ordinary shares of RM1.00 each:				
Authorised				
Balance as at 31 December	1,000,000	1,000,000	1,000,000	1,000,000
Issued and fully paid				
Balance as at 1 January	800,000	800,000	800,000	800,000
Issuance of ordinary shares	90,000	90,000	-	-
Balance as at 31 December	890,000	890,000	800,000	800,000

(a) During the financial year, the issued and paid-up share capital of the Company is increased from RM800,000 to RM890,000 by way of issuance of 90,000 new ordinary shares of RM1.00 each at par and that the consideration was set-off against amounts owing to shareholders.

The newly issued shares rank pari passu in all respect with the existing shares of the Company.

(b) The owners of ordinary shares are entitled to receive dividends as declared by the Company and is entitled to one (1) vote per ordinary shares at meetings of the Company. All ordinary shares rank pari passu with regard to the residual assets of the Company.

12. TRADE AND OTHER PAYABLES

	2015 RM	2014 RM
Trade payables		
Third parties	107,773	48,755
Related company	103,433	100,684
	211,206	149,439
Other payables		
Other payables	15,280	41,085
Accruals	4,200	23,803
Amounts owing to shareholders	22,302	98,313
Amount owing to a Director	-	50,000
	41,782	213,201
	252,988	362,640

(a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Company range from 10 days to 20 days (2014: 10 to 20 days).

12. TRADE AND OTHER PAYABLES (continued)

(b) Amounts owing to shareholders represent payments on behalf, which are unsecured, interest free and payable upon demand in cash and cash equivalents. During the financial year, an amount of RM90,000 was set-off against the amounts owing to shareholders by way of issuance of 90,000 new ordinary shares as disclosed in Note 11 to the financial statements.

(c) Amount owing to a Director represented advances, which were unsecured, interest free and payable upon demand in cash and cash equivalents.

(d) Trade and other payables are denominated in Ringgit Malaysia.

(e) Information on financial risks of trade and other payables is disclosed in Note 19 to the financial statements.

13. REVENUE

	2015 RM	2014 RM
Sales of goods	113,175	148,787
Services rendered	147,482	561,871
	260,657	710,658

14. (LOSS)/PROFIT BEFORE TAXATION

	Note	2015 RM	2014 RM
(Loss)/Profit before taxation is arrived at after charging:			
Auditors' remuneration		4,200	3,800
Depreciation of plant and equipment	7	2,468	2,333
Impairment loss on trade receivables	9	12,594	-
Rental of premises		18,000	-
And crediting:			
Interest income		390	510

15. TAXATION

	2015 RM	2014 RM
Current tax expense based on profit for the financial year:		
Under provision in prior years	102	-
Taxation for the financial year	102	-

15. TAXATION (continued)

(a) The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 25%) of the estimated taxable profits for the fiscal year. The Malaysian statutory tax rate would be reduced to twenty-four percent (24%) for the fiscal year of assessment 2016 onwards.

(b) The numerical reconciliation between the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate of the Company is as follows:

	2015 RM	2014 RM
(Loss)/Profit before taxation	(133,626)	68,599
Taxation at Malaysian statutory tax rate of 25% (2014:25%)	(33,407)	17,150
Tax effects in respect of:		
Non-allowable expenses	5,981	9,005
Utilisation of deferred tax assets not recognised	-	(26,155)
Deferred tax assets not recognised	27,426	-
	-	-
Under provision of income tax expense in prior years	102	-
	102	-

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

	2015 RM	2014 RM
Untilised tax losses	694,779	585,075

Deferred tax assets have not been recognised in respect of these items as it not probable that sufficient taxable profit would be available against which the deductible temporary differences can be utilised.

16. EMPLOYEE BENEFITS

	2015 RM	2014 RM
Salaries and bonuses	197,270	288,218
Contribution to defined contribution plan	25,378	33,020
Other benefits	11,880	12,530
	234,528	333,768

17. RELATED PARTY DISCLOSURES

(a) Identities of related parties

Parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other parties.

Related parties of the Company include:

(i) substantial corporate shareholders of the Company;

(ii) holding company of the substantial corporate shareholders;

(iii) direct and indirect subsidiaries of holding company of the substantial corporate shareholders; and

(iv) key management personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel includes all the Directors of the Company, and certain members of senior management of the Company;

(b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Company had the following transactions with related parties during the financial year:

	2015 **RM**	**2014** **RM**
Related party:		
Purchase of goods	321,209	627,134

The related party transactions were carried out on terms and condition agreed between parties.

(c) Compensation of key management personnel

There is no compensation of Directors or other key management personnel during the financial year.

18. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the capital management of the Company is to maintain a strong capital base and safeguard the ability of the Company to continue as a going concern whilst maintaining an optimal capital structure, so as to maximise shareholders value. The management reviews the capital structure by considering the cost of capital and the risks associated with the capital. The overall strategy of the Company remains unchanged from that in the previous financial year.

The Company manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

The Company is not subject to any externally imposed capital requirements.

18. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments

	Loans and receivables	
	2015	2014
	RM	RM
Financial assets		
Trade and other receivables	149,367	388,194
Cash and bank balances	189,764	115,658
	339,131	503,852

	Other financial liabilities	
	2015	2014
	RM	RM
Trade and other payables	252,988	362,640

(c) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables and trade and other payables are reasonable approximation of fair value due to their short-term nature.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Company is to optimise value creation for shareholder whilst minimising the potential adverse impact arising from fluctuations in interest rate and the unpredictability of the financial markets.

The Company operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control systems, insurance programmes and adherence to the Company's financial risk management policies. The Company is exposed mainly to credit risk and liquidity and cash flow risk. Information on the management of the related exposures is details below.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Credit risk

Cash and bank balances and trade and other could give rise to credit risk which requires the loss to be recognised if a counter party fails to perform as contracted. The major counter party is creditworthy counterparties. It is the policy of the Company to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Company to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Credit risk concentration profile

At the end of the reporting period, there was no significant concentration of credit risk.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 9 to the financial statements.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 9 to the financial statements.

(b) Liquidity and cash flow risk

The Company actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all operating, investing and financing needs are met. In executing its liquidity risk management strategy, the Company measures and forecasts its cash commitments and maintains a level of cash and cash equivalents deemed adequate to finance the activities of the Company.

The table below summarises the maturity profile of the liabilities of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

	On demand or within 1 year	
	2015	**2014**
	RM	**RM**
Trade and other payables	252,988	362,640

20. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 25 March 2016, the issued and paid-up share capital of the Company was increased from RM890,000 to RM990,000 by way of issuance of 100,000 new ordinary shares of RM1.00 each at par for cash for working capital purposes.

The newly issued shares rank pari passu in all respect with the existing shares of the Company.