

Company No.
371774-H

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER, 2015

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Company No.
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BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2015

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in researching, designing, developing, distributing and supporting accounting and business management solutions, including its proprietary range of packaged accounting and business management software and its related activities. The Company is also involved in hardware and networking businesses. The activity of the subsidiary company is disclosed in note 4 to the financial statements. There have been no significant changes in these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	1,150,203	1,139,099
Accumulated loss brought forward	(4,517,393)	(1,986,914)
Accumulated loss carried forward	<u>(3,367,190)</u>	<u>(847,815)</u>

DIVIDEND

No dividend has been paid, declared or proposed since the end of the previous financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES

During the financial year, there was no issue of shares.

SHARE OPTION

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2015

DIRECTORS

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

Ong Geok Moi (f)
Ong Rui Yuan
Ong Kim Mui (f)

DIRECTORS' INTEREST IN SHARES

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

	Number of Ordinary shares of RM1 each			
	Balance at 1.1.2015	Bought	Sold	Balance at 31.12.2015
Ong Geok Moi (f)	1,710,000	-	-	1,710,000
Ong Rui Yuan	2,940,000	-	-	2,940,000

DIRECTORS' BENEFITS

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

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2015

OTHER STATUTORY INFORMATION

Before the Income Statements and Balance Sheets of the Group and 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 allowance for doubtful debts, and have satisfied themselves that there were no known bad or doubtful debts; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

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

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

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

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

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DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2015

No contingent liability or other liabilities 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 year 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 as and when they fall due.


In the opinion of the directors:

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

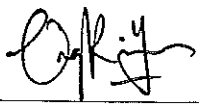
AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in office.

Signed in accordance with a resolution of the directors



ONG GEOK MOI (F)
Director



ONG RUI YUAN
Director

Dated: 7 JUN 2016
Kuala Lumpur

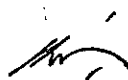
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STATEMENT BY DIRECTORS

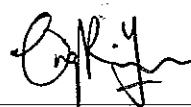
(Pursuant to Section 169[15] of the Companies Act, 1965)

We, ONG GEOK MOI (F) and ONG RUI YUAN, two of the directors of BIZTRAK BUSINESS SOLUTIONS SDN. BHD., state that, in the opinion of the directors, the accompanying balance sheets, income statements, statements of changes in equity and cash flow statements, together with the notes thereto, have been made out in accordance with applicable approved Private Entity Reporting Standards in Malaysia and the Companies Act, 1965 so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2015 and of the results and cash flow of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the directors



ONG GEOK MOI (F) Director



ONG RUI YUAN Director

Dated: 7 JUN 2016
Kuala Lumpur

STATUTORY DECLARATION

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

I, ONG GEOK MOI (F), the director primarily responsible for the financial management of BIZTRAK BUSINESS SOLUTIONS SDN. BHD., do solemnly and sincerely declare that the accompanying balance sheets, income statements, statements of changes in equity and cash flow statements, together with the notes thereto are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declaration Act, 1960.

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

7 JUN 2016



ONG GEOK MOI (F)



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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.

(Company No: 371774-H)

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Biztrak Business Solutions Sdn. Bhd., which comprise the balance sheets as at 31st December, 2015 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and 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 29.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.

(Company No: 371774-H)

(Incorporated in Malaysia)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and the Company as of 31st December, 2015 and of their financial performance and cash flows for the year then ended in accordance with Private Entity Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report 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 its subsidiary company 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 company 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 company 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.


ONG & WONG
AF 0241
Chartered Accountants


ONG KONG LAI
494/06/16(J/PH)
Partner of Firm

Dated: 7 JUN 2016
Kuala Lumpur

Company No.
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BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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BALANCE SHEETS AS AT 31ST DECEMBER, 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
ASSETS					
Non-current assets					
Property, plant & equipment	3	145,642	230,389	141,100 /	224,148
Investment in subsidiary company	4	-	-	2 /	2
Intangible assets	5	1,696,153	1,812,749	1,119,248 /	1,283,000
Goodwill on consolidation		392,433	392,433	-	-
		<u>2,234,228</u>	<u>2,435,571</u>	<u>1,260,350</u>	<u>1,507,150</u>
Current assets					
Trade receivables	6	264,230	436,606	264,230 /	436,606
Other receivables, deposits & prepayment	7	167,023	156,674	142,707 /	133,020
Amount due from subsidiary company	8	-	-	3,420,562 /	3,383,620
Cash & bank balances		76,267	331,564	74,941 /	329,846
		<u>507,520</u>	<u>924,844</u>	<u>3,902,440</u>	<u>4,283,092</u>
TOTAL ASSETS		<u>2,741,748</u>	<u>3,360,415</u>	<u>5,162,790</u>	<u>5,790,242</u>
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	9	4,650,000	4,650,000	4,650,000 /	4,650,000
Accumulated loss		(3,367,190)	(4,517,393)	(847,815) /	(1,986,914)
		<u>1,282,810</u>	<u>132,607</u>	<u>3,802,185</u>	<u>2,663,086</u>
Non-current liabilities					
Hire purchase payables	10	53,134	111,678	53,134 /	111,678
Long term loan payable	11	632,405	632,405	632,405 /	632,405
		<u>685,539</u>	<u>744,083</u>	<u>685,539</u>	<u>744,083</u>
Current liabilities					
Trade payables	12	104,021	62,448	41,573 /	-
Other payables & accruals	13	598,540	2,364,573	562,705 /	2,327,217
Amount due to a director	14	12,244	-	12,244 /	-
Amount due to related company	8	50	848	-	-
Hire purchase payables	10	58,544	55,856	58,544 /	55,856
		<u>773,399</u>	<u>2,483,725</u>	<u>675,066</u>	<u>2,383,073</u>
Total liabilities		<u>1,458,938</u>	<u>3,227,808</u>	<u>1,360,605</u>	<u>3,127,156</u>
TOTAL EQUITY AND LIABILITIES		<u>2,741,748</u>	<u>3,360,415</u>	<u>5,162,790</u>	<u>5,790,242</u>

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

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BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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INCOME STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2015

		Group		Company	
	Note	2015 RM	2014 RM	2015 RM	2014 RM
Revenue	15	2,930,442	2,934,584	2,930,442	2,934,584
Cost of sales		(131,812)	(398,383)	(431,812)	(698,383)
Gross profit		2,798,630	2,536,201	2,498,630	2,236,201
Other operating income		20,459	4,526	20,459	3,861
		2,819,089	2,540,727	2,519,089	2,240,062
Administrative expenses		(1,324,132)	(1,235,366)	(1,035,236)	(915,923)
Marketing & promotional expenses		(174,518)	(129,479)	(174,518)	(129,479)
Other operating expenses		(163,752)	(164,883)	(163,752)	(164,883)
Profit from operations		1,156,687	1,010,999	1,145,583	1,029,777
Finance cost		(6,484)	(9,172)	(6,484)	(9,172)
Profit for the year	16	1,150,203	1,001,827	1,139,099	1,020,605

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

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**STATEMENTS OF CHANGES IN EQUITY FOR
THE YEAR ENDED 31ST DECEMBER, 2015**

	Share Capital RM	Accumulated Loss RM	Total RM
Group			
At 1st January, 2014	4,650,000	(5,519,220)	(869,220)
Profit for the year	-	1,001,827	1,001,827
At 31st December, 2014	4,650,000	(4,517,393)	132,607
Profit for the year	-	1,150,203	1,150,203
At 31st December, 2015	4,650,000	(3,367,190)	1,282,810
Company			
At 1st January, 2014	4,650,000	(3,007,519)	1,642,481
Profit for the year	-	1,020,605	1,020,605
At 31st December, 2014	4,650,000	(1,986,914)	2,663,086
Profit for the year	-	1,139,099	1,139,099
At 31st December, 2015	4,650,000	(847,815)	3,802,185

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

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CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2015

	Note	Group		Company	
		2015 RM	2014 RM	2015 RM	2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		1,150,203	1,001,827	1,139,099	1,020,605
Adjustments for:					
Bad debt written off		-	1,000	-	1,000
Amortisation of intangible asset		447,221	475,459	163,752	163,750
Depreciation of property, plant & equipment		108,853	106,254	108,853	106,254
Interest expense		6,484	9,172	6,484	9,172
Operating profit before working capital changes		1,712,761	1,593,712	1,418,188	1,300,781
Decrease/(increase) in receivables		162,027	(122,453)	125,747	(118,977)
Decrease in payables		(1,713,014)	(845,088)	(1,710,695)	(829,314)
Cash generated from/(absorbed by) operations		161,774	626,171	(166,760)	352,490
Interest paid		(6,484)	(9,172)	(6,484)	(9,172)
Net cash generated from/(used in) operating activities		155,290	616,999	(173,244)	343,318
CASH FLOWS FROM INVESTING ACTIVITIES					
Development cost		(328,926)	(273,116)	-	-
Purchase of property, plant & equipment	A	(25,805)	(5,799)	(25,805)	(5,799)
Net cash used in investing activities		(354,731)	(278,915)	(25,805)	(5,799)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of hire purchase		(55,856)	(53,168)	(55,856)	(53,168)
Net cash used in investing activities		(55,856)	(53,168)	(55,856)	(53,168)
Net (decrease)/increase in cash and cash equivalents		(255,297)	284,916	(254,905)	284,351
Cash and cash equivalents at beginning of year		331,564	46,648	329,846	45,495
Cash and cash equivalents at end of year	B	76,267	331,564	74,941	329,846

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CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2015

NOTE

A. PROPERTY, PLANT & EQUIPMENT

During the financial year, the Group and the Company acquired the property, plant & equipment by:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash	25,805	5,799	25,805	5,799

B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Cash & bank balances	76,267	331,564	74,941	329,846

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BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

1. GENERAL

The Company is principally engaged in researching, designing, developing, distributing and supporting accounting and business management solutions, including its proprietary range of packaged accounting and business management software and its related activities. The Company is also involved in hardware and networking businesses. The activity of the subsidiary company is disclosed in note 4 to the financial statements.

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

The registered office is located at Unit C-6-5, 6th Floor, Block C, Megan Avenue II, No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur.

The principal place at which business is carried on is located at No. 47-3, Jalan Puteri 2/3, Bandar Puteri Puchong, 47100 Puchong, Selangor Darul Ehsan.

2. ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved Private Entity Reporting Standards ("PERS") in Malaysia and the Companies Act, 1965. The financial statements have been prepared under the historical cost convention.

b. Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary company made up to the end of the financial year.

Inter-company transactions are eliminated on consolidation and the consolidated financial statements reflect external transactions only.

The difference between the purchase consideration and the fair value of net identifiable assets acquired is reflected in the financial statements as goodwill arising on consolidation or reserve on consolidation.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

2. ACCOUNTING POLICIES (CONT'D)

c. Property, Plant & Equipment and Depreciation

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

Property, plant & equipment are depreciated on a straight line basis at rates calculated to write off the cost of the assets over their estimated useful lives. The annual rates are:

Computer system	20%
Furniture & fittings	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%

d. Investment in Subsidiary Company

Investment in subsidiary company, which is eliminated on consolidation, is stated in the Company's financial statements at cost, except where the directors are of the opinion that there is a permanent diminution in the value of the investment, in which case allowance is made for the diminution in value.

A subsidiary company is a company in which the Group has power to exercise control over the financial and operating policies so as to obtain benefit from their activities.

e. Intangible Assets

Intangible assets comprise of consideration paid in respect of sole distribution right of computer software and intellectual property right agreements signed between the Company and third parties.

The intangible assets are stated at cost and are amortised on a straight line basis over their useful lives of 20 years.

f. Receivables

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

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

2. ACCOUNTING POLICIES (CONT'D)

g. Payables

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

h. Assets Held Under Hire Purchase

Assets acquired under hire purchase agreements are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the hire purchase, less accumulated depreciation and impairment losses. These assets are depreciated in accordance with the depreciation policy as set out above.

Outstanding obligation due under the hire purchase agreements after deducting finance expenses are included as liabilities in the financial statements. The finance expenses of the hire purchase are charged to the income statement over the periods of respective agreements so as to produce a constant periodic rate of interest on the remaining balance of the liabilities for each period.

i. Income Tax

Income tax on the profit or loss 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 year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unabsorbed capital allowances and unabsorbed tax losses can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill 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.

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BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

2. ACCOUNTING POLICIES (CONT'D)

i. Income Tax (cont'd)

Deferred tax is 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 tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or negative goodwill.

j. Foreign Currency Transactions

Transactions arising in foreign currencies are converted into Ringgit Malaysia at the exchange rates prevailing at the transaction dates. Assets and liabilities in foreign currencies are translated into Ringgit Malaysia at the approximate rates prevailing at the balance sheet date. All exchange differences are taken up in the income statement.

The principal exchange rates for every unit of foreign currency ruling at balance sheet date used are as follow:

	2015 RM	2014 RM
Singapore Dollar	3.0395	2.6471
United States Dollar	4.2935	3.4965
Brunei Dollar	3.0000	2.6471

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

2. ACCOUNTING POLICIES (CONT'D)

k. Revenue Recognition

Revenue represents:

- a) gross invoiced value of packaged accounting and business management software sold, net of discounts and trade returns, and
- b) services provided for training to the dealer or end user, services and maintenance for the software programme, as well as implementation after the sales completed.

l. Employee Benefits

i) Short Term Benefits

Wages, salaries, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

ii) Defined Contribution Plans

Obligations for contribution to defined contribution plans such as Employee Provident Fund ("E.P.F.") are recognised as expenses in the income statement as incurred.

BIZTRAK BUSINESS SOLUTIONS SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

2. ACCOUNTING POLICIES (CONT'D)

m. Statement of Cash Flows

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

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts, 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.

n. Impairment of Assets

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

3. PROPERTY, PLANT & EQUIPMENT

	As at 1.1.2015 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2015 RM
Group				
2015				
COST				
Computer system	669,809	25,305	-	695,114
Furniture & fittings	69,934	-	-	69,934
Motor vehicles	395,183	-	-	395,183
Office equipment	167,786	500	-	168,286
Renovations	125,606	-	-	125,606
	<u>1,428,318</u>	<u>25,805</u>	<u>-</u>	<u>1,454,123</u>

	As at 1.1.2015 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2015 RM
ACCUMULATED DEPRECIATION				
Computer system	645,856	14,395	-	660,251
Furniture & fittings	68,367	1,124	-	69,491
Motor vehicles	212,050	79,036	-	291,086
Office equipment	158,645	3,441	-	162,086
Renovations	113,011	12,556	-	125,567
	<u>1,197,929</u>	<u>110,552</u>	<u>-</u>	<u>1,308,481</u>

As at
31.12.2015
RM

NET BOOK VALUE

Computer system	34,863
Furniture & fittings	443
Motor vehicles	104,097
Office equipment	6,200
Renovations	39
	<u>145,642</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

3. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	As at 1.1.2014 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2014 RM
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2014

COST

Computer system	658,025	11,784	-	669,809
Furniture & fittings	69,934	-	-	69,934
Motor vehicles	395,183	-	-	395,183
Office equipment	166,286	1,500	-	167,786
Renovations	125,606	-	-	125,606
	<u>1,415,034</u>	<u>13,284</u>	<u>-</u>	<u>1,428,318</u>

	As at 1.1.2014 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2014 RM
--	-------------------------	------------------------------	-------------------------------	---------------------------

**ACCUMULATED
DEPRECIATION**

Computer system	636,522	9,334	-	645,856
Furniture & fittings	65,135	3,232	-	68,367
Motor vehicles	133,013	79,037	-	212,050
Office equipment	154,853	3,792	-	158,645
Renovations	100,455	12,556	-	113,011
	<u>1,089,978</u>	<u>107,951</u>	<u>-</u>	<u>1,197,929</u>

As at
31.12.2014
RM

NET BOOK VALUE

Computer system	23,953
Furniture & fittings	1,567
Motor vehicles	183,133
Office equipment	9,141
Renovations	<u>12,595</u>
	<u>230,389</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

3. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	As at 1.1.2015 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2015 RM
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Company

2015

COST

Computer system	375,804	25,305	-	401,109
Furniture & fittings	69,934	-	-	69,934
Motor vehicles	395,183	-	-	395,183
Office equipment	165,771	500	-	166,271
Renovations	125,606	-	-	125,606
	<u>1,132,298</u>	<u>25,805</u>	<u>-</u>	<u>1,158,103</u>

**ACCUMULATED
DEPRECIATION**

	As at 1.1.2015 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2015 RM
Computer system	357,889	12,898	-	370,787
Furniture & fittings	68,367	1,124	-	69,491
Motor vehicles	212,050	79,036	-	291,086
Office equipment	156,833	3,239	-	160,072
Renovations	113,011	12,556	-	125,567
	<u>908,150</u>	<u>108,853</u>	<u>-</u>	<u>1,017,003</u>

As at
31.12.2015
RM

NET BOOK VALUE

Computer system	30,322
Furniture & fittings	443
Motor vehicles	104,097
Office equipment	6,199
Renovations	39
	<u>141,100</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

3. PROPERTY, PLANT & EQUIPMENT (CONT'D)

	As at 1.1.2014 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2014 RM
2014				
COST				
Computer system	371,505	4,299	-	375,804
Furniture & fittings	69,934	-	-	69,934
Motor vehicles	395,183	-	-	395,183
Office equipment	164,271	1,500	-	165,771
Renovations	125,606	-	-	125,606
	<u>1,126,499</u>	<u>5,799</u>	<u>-</u>	<u>1,132,298</u>

	As at 1.1.2014 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2014 RM
ACCUMULATED DEPRECIATION				
Computer system	350,052	7,837	-	357,889
Furniture & fittings	65,135	3,232	-	68,367
Motor vehicles	133,013	79,037	-	212,050
Office equipment	153,241	3,592	-	156,833
Renovations	100,455	12,556	-	113,011
	<u>801,896</u>	<u>106,254</u>	<u>-</u>	<u>908,150</u>

	As at 31.12.2014 RM
NET BOOK VALUE	
Computer system	17,915
Furniture & fittings	1,567
Motor vehicles	183,133
Office equipment	8,938
Renovations	<u>12,595</u>
	<u>224,148</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

3. PROPERTY, PLANT & EQUIPMENT (CONT'D)

Motor vehicles with net book value of RM104,097 (2014: RM183,134) are acquired under hire purchase arrangement.

The depreciation charge on property, plant & equipment of RM1,698 (2014: RM201) of the Group was capitalised as development expenditure.

4. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	2015 RM	2014 RM
Unquoted shares, at cost	2	2

The subsidiary company is:

	Country of incorporation	Principal activities	Effective equity interest	
			2015	2014
Biztrak R & D Sdn. Bhd.	Malaysia	Software development	100%	100%

5. INTANGIBLE ASSETS

	Group		Company	
	2015 RM	2014 RM	2015 RM	2014 RM
Cost				
- Software distribution rights	255,000	255,000	255,000	255,000
- Intellectual property rights	20,000	20,000	20,000	20,000
- Software source code	9,840,083	9,509,458	3,000,000	3,000,000
	<u>10,115,083</u>	<u>9,784,458</u>	<u>3,275,000</u>	<u>3,275,000</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

5. INTANGIBLE ASSETS (CONT'D)

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Amortisation				
- At beginning of year	7,971,709	7,496,250	1,992,000	1,828,250
- Current year's amortisation	447,221	475,459	163,752	163,750
- At end of year	8,418,930	7,971,709	2,155,752	1,992,000
Net book value	1,696,153	1,812,749	1,119,248	1,283,000

6. TRADE RECEIVABLES

The Group's normal trade credit terms range from 30 to 120 days.

7. OTHER RECEIVABLES, DEPOSITS & PREPAYMENT

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other receivables	140,676	137,831	118,042	115,197
Deposits	20,380	7,180	20,380	7,180
Prepayment	5,967	11,663	4,285	10,643
	167,023	156,674	142,707	133,020

8. AMOUNT DUE FROM/(TO) SUBSIDIARY/RELATED COMPANY

These balances are unsecured, interest free and have no fixed terms of repayment.

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9. SHARE CAPITAL

Group & Company

2015	2014
RM	RM

Ordinary shares of RM1 each:

Authorised

Issued and fully paid

5,000,000	5,000,000
4,650,000	4,650,000

10. HIRE PURCHASE PAYABLES

Group & Company

2015	2014
RM	RM

Minimum payment

- not later than one year
- later than one year and not later than five years

Future finance charges on hire purchase
Present value of hire purchase payables

Current
Non-current

62,340	62,340
55,123	117,462
117,463	179,802
(5,785)	(12,268)
111,678	167,534
58,544	55,856
53,134	111,678
111,678	167,534

- Present value of hire purchase payables
- not later than one year
 - later than one year and not later than five years

58,544	55,856
53,134	111,678
111,678	167,534

The hire purchase payables bear interest rates ranging from 2.40% to 2.50% (2014: 2.40% to 2.50%) per annum.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

11. LONG TERM LOAN PAYABLE

	Group & Company	
	2015	2014
	RM	RM
Non-current portion	<u>632,405</u>	<u>632,405</u>

Included in long term loan payable is an amount due to a corporation in which certain directors have interest. This balance is unsecured and has no fixed terms of repayment.

12. TRADE PAYABLES

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

13. OTHER PAYABLES, DEPOSIT RECEIVED & ACCRUALS

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Other payables	523,691	2,303,084	493,334	2,267,906
Deposit received	46,500	-	46,500	-
Accruals	28,349	61,489	22,871	59,311
	<u>598,540</u>	<u>2,364,573</u>	<u>562,705</u>	<u>2,327,217</u>

14. AMOUNT DUE TO A DIRECTOR

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

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

15. REVENUE

Revenue represents invoiced value of sales less sales returns and discounts.

16. PROFIT FOR THE YEAR

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Profit for the year is arrived at after charging:				
Amortisation of intangible assets	447,221	475,459	163,752	163,750
Auditors' remuneration	7,800	7,800	6,000	6,000
Bad debt written off	-	-	-	1,000
Depreciation of property, plant & equipment	106,254	106,254	108,853	106,254
Directors' remuneration				
- Other emoluments	149,175	137,363	149,175	137,363
Finance cost				
- Hire purchase interest	6,484	9,172	6,484	9,172
Rental of office	26,500	14,000	26,500	14,000
Staff costs	550,676	469,287	550,676	469,287
and crediting:				
Realised gain on foreign exchange	4,209	1,084	4,209	1,084
Other income	16,250	3,442	16,250	2,777

The total number of employees of the Group and of the Company (including directors) at the end of the financial year were 9 and 9 (2014: 11 and 11) respectively.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

17. TAXATION

A numerical reconciliation between the average effective tax rate and the applicable tax rate, disclosing also the basis on which the applicable tax rate is computed.

	Company	
	2015 %	2014 %
Applicable tax rate	25	25
Tax effect of items that are not taxable for tax purposes	5	6
Unrecognised deferred tax assets	(30)	(31)
Average effective tax rate	-	-

Subject to agreement with the Inland Revenue Board, the Company has the following:

	2015 RM	2014 RM (Restated)
Unabsorbed tax losses	788,866	2,152,775

The unabsorbed tax losses are available to set off against future income.

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NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2015

18. DEFERRED TAXATION

As at 31st December, 2015, the amount of estimated net deferred tax assets of the Company measured at current tax rate which are not recognised in the financial statements, are as follows:

	Group		Company	
	2015	2014	2015	2014
	RM	RM	RM	RM
Temporary difference between book depreciation and capital allowance on property, plant & equipment	(5,124)	(709)	(5,860)	1,050
Unabsorbed capital allowances	15,408	21,759	-	-
Unabsorbed tax losses	1,349,373	1,691,919	197,217	539,897
	<u>1,359,657</u>	<u>1,712,969</u>	<u>191,357</u>	<u>540,947</u>

19. COMPARATIVES

Certain comparative figures have been restated to conform with current year's presentation.

20. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 7th June, 2016.

Filed by: O & M Management Consultants Sdn. Bhd. (38053-M)
Unit C-6-5, 6th Floor, Block C, Megan Avenue II
No. 12, Jalan Yap Kwan Seng, 50450 Kuala Lumpur
Tel. No.: 21611000 Fax No.: 21663322