

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

**FINANCIAL STATEMENTS**

**YEAR ENDED 31ST DECEMBER, 2016**

<b>CONTENTS</b>
-----------------

	Pages
REPORT OF THE DIRECTORS	1 - 4
STATEMENT BY DIRECTORS AND STATUTORY DECLARATION	5
INDEPENDENT AUDITORS' REPORT	6 - 10
STATEMENTS OF FINANCIAL POSITION	11
STATEMENTS OF COMPREHENSIVE INCOME	12
STATEMENTS OF CHANGES IN EQUITY	13
STATEMENTS OF CASH FLOWS	14 - 15
NOTES TO THE FINANCIAL STATEMENTS	16 - 40

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2016**

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year from 1st January, 2016 to 31st December, 2016.

**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 5 to the financial statements. There have been no significant changes in these activities during the financial year.

**RESULTS**

	Group RM	Company RM
Profit/(loss) for the year	1,127,905	(157,793)
Accumulated loss brought forward		
- As previously reported	(4,517,393)	(847,815)
- Prior year adjustment	(392,433)	-
- Profit for the year	1,150,203	-
- Restated	(3,759,623)	(847,815)
Accumulated loss carried forward	(2,631,718)	(1,005,608)

**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.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2016**

**DIRECTORS**

The directors of the Company in office during the financial year and since the end of the financial year 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 1.1.2016	Bought	Sold	Balance at 31.12.2016
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.

**DIRECTORS' REMUNERATION**

The amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 20 of the financial statements.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2016**

**INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS**

No indemnity has been given during and since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

**OTHER STATUTORY INFORMATION**

Before the Statements of Comprehensive Income and Statements of Financial Position 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.

Company No.  
371774-H

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

**DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2016**

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' REMUNERATION**

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 20 of the financial statements.

**AUDITORS**

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

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

  
\_\_\_\_\_  
ONG GEOK MOI (F)  
Director

  
\_\_\_\_\_  
ONG RUI YUAN  
Director

Dated: 30 MAR 2017  
Kuala Lumpur


Company No.  
371774-H

## STATEMENT BY DIRECTORS

(Pursuant to Section 251[2] 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 statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows, together with the notes thereto, have been made out in accordance with applicable approved Malaysian Private Entities Reporting Standard 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, 2016 and of the results and cash flow of the Group and of the Company for the financial year ended on that date.

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

  
\_\_\_\_\_  
ONG GEOK MOI (F) Director

  
\_\_\_\_\_  
ONG RUI YUAN Director

Dated: 30 MAR 2017  
Kuala Lumpur

## STATUTORY DECLARATION

(Pursuant to Section 251[1][b] 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 statements of financial position, statements of comprehensive income, statements of changes in equity and statements of cash flows, 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

30 MAR 2017



  
\_\_\_\_\_  
ONG GEOK MOI (F)

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

(Company No: 371774-H)

*(Incorporated in Malaysia)*

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Biztrak Business Solutions Sdn. Bhd., which comprise the statements of financial position as at 31st December, 2016 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 40.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December, 2016, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 1965 in Malaysia.

#### **Basis for Opinion**

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

#### **Independence and Other Ethical Responsibilities**

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

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

(Company No: 371774-H)

*(Incorporated in Malaysia)*

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the Directors for the Financial Statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard 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 of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

### **BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

(Company No: 371774-H)

*(Incorporated in Malaysia)*

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

(Company No: 371774-H)

*(Incorporated in Malaysia)*

**Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)**

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidences regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

### BIZTRAK BUSINESS SOLUTIONS SDN. BHD.

(Company No: 371774-H)

(Incorporated 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 subsidiaries have been properly kept in accordance with the provisions of the Act.
- b) We are satisfied that the accounts of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.
- c) Our audit reports on the accounts of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

#### Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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  
494/06/18(J/PH)  
Chartered Accountant

Dated: 30 MAR 2017  
Kuala Lumpur

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

**STATEMENTS OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2016**

		Group		Company	
	Note	2016 RM	2015 RM (Restated)	2016 RM	2015 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant & equipment	3	249,691	145,642	222,552	141,100
Goodwill on combination	4	-	-	-	-
Investment in subsidiary company	5	-	-	100,000	2
Intangible assets	6	1,645,964	1,696,153	955,496	1,119,248
		<u>1,895,655</u>	<u>1,841,795</u>	<u>1,278,048</u>	<u>1,260,350</u>
<b>Current assets</b>					
Trade receivables	7	1,255,147	264,230	225,147	264,230
Other receivables, deposits & prepayment	8	338,204	167,023	315,570	142,707
Amount due from subsidiary company	9	-	-	3,159,916	3,420,562
Deposit with licensed bank	10	200,000	-	200,000	-
Cash & bank balances		207,292	76,267	206,857	74,941
		<u>2,000,643</u>	<u>507,520</u>	<u>4,107,490</u>	<u>3,902,440</u>
<b>TOTAL ASSETS</b>		<u>3,896,298</u>	<u>2,349,315</u>	<u>5,385,538</u>	<u>5,162,790</u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to equity holders of the Company</b>					
Share capital	11	4,650,000	4,650,000	4,650,000	4,650,000
Accumulated loss		(2,631,718)	(3,759,623)	(1,005,608)	(847,815)
		<u>2,018,282</u>	<u>890,377</u>	<u>3,644,392</u>	<u>3,802,185</u>
<b>Non-current liabilities</b>					
Hire purchase payables	12	21,290	53,134	21,290	53,134
Term loans	13	790,682	-	790,682	-
Long term loan payable	14	398,763	632,405	398,763	632,405
		<u>1,210,735</u>	<u>685,539</u>	<u>1,210,735</u>	<u>685,539</u>
<b>Current liabilities</b>					
Trade payables	15	62,448	104,021	-	41,573
Other payables & accruals	16	188,451	598,540	114,029	562,705
Amount due to a director	17	5,846	12,244	5,846	12,244
Amount due to related company	9	-	50	-	-
Hire purchase payables	12	31,844	58,544	31,844	58,544
Term loans	13	260,287	-	260,287	-
Bank overdraft (secured)	18	118,405	-	118,405	-
		<u>667,281</u>	<u>773,399</u>	<u>530,411</u>	<u>675,066</u>
<b>Total liabilities</b>		<u>1,878,016</u>	<u>1,458,938</u>	<u>1,741,146</u>	<u>1,360,605</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>3,896,298</u>	<u>2,349,315</u>	<u>5,385,538</u>	<u>5,162,790</u>

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

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

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31ST DECEMBER, 2016**

		Group		Company	
	Note	2016 RM	2015 RM	2016 RM	2015 RM
Revenue	19	3,010,837	2,930,442	2,010,837	2,930,442
Cost of sales		(25,748)	(131,812)	(634,522)	(431,812)
Gross profit		2,985,089	2,798,630	1,376,315	2,498,630
Other operating income		9,690	20,459	7,918	20,459
		2,994,779	2,819,089	1,384,233	2,519,089
Administrative expenses		(1,561,289)	(1,324,132)	(1,238,214)	(1,035,236)
Marketing & promotional expenses		(85,573)	(174,518)	(85,573)	(174,518)
Other operating expenses		(166,512)	(163,752)	(164,739)	(163,752)
Profit/(loss) from operations		1,181,405	1,156,687	(104,293)	1,145,583
Finance cost		(53,500)	(6,484)	(53,500)	(6,484)
Profit/(loss) for the year	20	1,127,905	1,150,203	(157,793)	1,139,099
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss) for the year		1,127,905	1,150,203	(157,793)	1,139,099

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

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

**STATEMENTS OF CHANGES IN EQUITY FOR  
THE YEAR ENDED 31ST DECEMBER, 2016**

	Note	Share Capital RM	Accumulated Loss RM	Total RM
<b>Group</b>				
At 1st January, 2015				
- As previously reported		4,650,000	(4,517,393)	132,607
- Prior year adjustment	24	-	(392,433)	(392,433)
		4,650,000	(4,909,826)	(259,826)
Total comprehensive income for the year		-	1,150,203	1,150,203
At 1st January, 2016		4,650,000	(3,759,623)	890,377
Total comprehensive income for the year		-	1,127,905	1,127,905
At 31st December, 2016		4,650,000	(2,631,718)	2,018,282
<b>Company</b>				
At 1st January, 2015		4,650,000	(1,986,914)	2,663,086
Total comprehensive income for the year		-	1,139,099	1,139,099
At 31st December, 2015		4,650,000	(847,815)	3,802,185
Total comprehensive loss for the year		-	(157,793)	(157,793)
At 31st December, 2016		4,650,000	(1,005,608)	3,644,392

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

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

**STATEMENTS OF CASH FLOW FOR THE YEAR ENDED 31ST DECEMBER, 2016**

	Note	Group		Company	
		2016 RM	2015 RM	2016 RM	2015 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit/(loss) for the year		1,127,905	1,150,203	(157,793)	1,139,099
Adjustments for:					
Amortisation of intangible asset		405,449	447,221	163,752	163,752
Loss on disposal of property, plant & equipment		987	-	987	-
Depreciation of property, plant & equipment		113,873	108,853	111,090	108,853
Interest expense		53,500	6,484	53,500	6,484
Interest income		(756)	-	(756)	-
Operating profit before working capital changes		1,700,958	1,712,761	170,780	1,418,188
(Increase)/decrease in receivables		(1,158,882)	162,027	126,866	125,747
Decrease in payables		(458,110)	(1,713,014)	(496,647)	(1,710,695)
Cash generated from/(absorbed by) operations		83,966	161,774	(199,001)	(166,760)
Interest paid		(53,500)	(6,484)	(53,500)	(6,484)
Interest received		756	-	756	-
Net cash generated from/(used in) operating activities		31,222	155,290	(251,745)	(173,244)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from disposal of property, plant & equipment		200	-	200	-
Capital work-in-progress		(195,081)	-	-	-
Acquisition of investment in subsidiary company		-	-	(99,998)	-
Development cost		(160,179)	(328,926)	-	-
Purchase of property, plant & equipment		(219,109)	(25,805)	(193,729)	(25,805)
Net cash used in investing activities		(574,169)	(354,731)	(293,527)	(25,805)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from term loan raised		1,115,000	-	1,115,000	-
Increase in fixed deposit		(200,000)	-	(200,000)	-
Repayment of hire purchase		(61,760)	(55,856)	(58,544)	(55,856)
Repayment of long term loan		(233,642)	-	(233,642)	-
Repayment of term loan		(64,031)	-	(64,031)	-
Net cash generated from/(used in) investing activities		555,567	(55,856)	558,783	(55,856)
Net increase/(decrease) in cash and cash equivalents		12,620	(255,297)	13,511	(254,905)
Cash and cash equivalents at beginning of period/year		76,267	331,564	74,941	329,846
Cash and cash equivalents at end of period/year	A	88,887	76,267	88,452	74,941

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

**CASH FLOW STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2016**

**NOTE**

**A. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 RM
Deposit with licensed bank	200,000	-	200,000	-
Cash & bank balances	207,292	76,267	206,857	74,941
Bank overdraft (Note 18)	(118,405)	-	(118,405)	-
	<b>288,887</b>	<b>76,267</b>	<b>288,452</b>	<b>74,941</b>
Deposit pledged to financial institution	(200,000)	-	(200,000)	-
	<b>88,887</b>	<b>76,267</b>	<b>88,452</b>	<b>74,941</b>



**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**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 5 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 D-01-02, Garden Shoppe One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor Darul Ehsan.

**2. ACCOUNTING POLICIES**

**a. Basis of Preparation**

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Private Entities Reporting Standard ("MPERS") issued by the Malaysian Accounting Standards Board ("MASB") and the requirements of the Companies Act, 1965 in Malaysia.

The financial statements of the Group and of the Company have been prepared on the historical cost basis.

**b. Basis of Transition to the MPERS**

The Company's financial statements for the year from 1st January, 2015 to 31st December, 2015 are the first financial statements prepared in accordance with the MPERS, which is the beginning of the earliest period presented.

The Company's transition date is 1st January 2015. The Company prepared its opening MPERS statement of financial position at that date.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**b. Basis of Transition to the MPERS (cont'd)**

The Company has applied all the mandatory exceptions and certain of the optional exemptions from full retrospective application of the MPERS. Previously, the Company presents the most recent financial statements using Private Entity Reporting Standards ("PERS").

The Company has also chosen to early adopt the limited amendments issued by the MASB, which are effective for annual periods on or after 1st January 2017.

**c. Use of Estimates and Judgements**

The preparation of the financial statements in conformity with MPERS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effects on the amounts recognised in the financial statements.

**d. Business Combinations and Consolidation**

**(i) Business Combinations**

The Group applies the acquisition method to account for all business combinations. If the acquisition of an asset or a group of assets does not constitute a business, it is accounted for as an asset acquisition.

The Group identifies the acquisition date of a business combination as the date on which the Group obtains control of an acquire. Control is obtained when the group commences to have the power to direct financial and operating policy decisions of the investee so as to obtain benefits from its activities. This may require fulfillment of precedent conditions, such as completion of due diligence audit, and shareholders' approvals if they are specified in a sale and purchase agreement.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**d. Business Combinations and Consolidation (cont'd)**

**(ii) Subsidiaries and Basis of Consolidation**

The Group recognises a subsidiary based on the criterion of control. A subsidiary is an entity (including special purpose entities) over which the Group has the power to govern the financial and operating policy decisions of the investee so as to obtain benefits from its activities. In circumstances when the voting rights are not more than half or when voting rights are not the dominant determinant of control, the Group uses judgements to assess whether it has de facto control, control by other arrangements (including control of special purpose entities), or by holding substantive potential voting rights.

The consolidated financial statements are prepared using uniform accounting policies for like transactions, other events and conditions in similar circumstances.

The carrying amount of investment in each subsidiary of a parent in the Group is eliminated against the parent's portion of equity in each subsidiary. The consolidated financial statements combine like items of assets, liabilities, equity, income, expenses and cash flows of the Company and all its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition (which is the date the Group assumes control of an investee) or up to effective date of disposal (which is the date the Group ceases to have control of an investee.).

All intra-group balances and transactions are eliminated in full on consolidation. Unrealised profits or losses arising from intra-group transactions are also eliminated in full on consolidation, except when an unrealized loss is an impairment loss.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**d. Business Combinations and Consolidation (cont'd)**

**(ii) Subsidiaries and Basis of Consolidation (cont'd)**

When the Group ceases to control a subsidiary, the difference between the proceeds from the disposal of the subsidiary and its carrying amount at the date that control is lost is recognised in profit or loss in the statement of comprehensive income as a gain or loss on disposal of the subsidiary. The cumulative amount of any exchange differences that relate to a foreign subsidiary recognised in other comprehensive income is not reclassified to profit or loss on disposal of the subsidiary. If the Group retains an equity interest in the former subsidiary, it is accounted for as a financial asset (provided it does not become an associate or a joint venture). The carrying amount of the investment retained at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

Any decrease in equity stake in a subsidiary that does not result in a loss of control is accounted for as an equity transaction and the financial effect is adjusted directly in the consolidated statement of changes in equity.

**e. Goodwill**

The Group does not recognise internally generated goodwill.

In a business combination accounted for under the acquisition method, purchased goodwill is recognised as an asset as of the acquisition date, measured at the difference between cost of investment and share of net assets acquired. Non-controlling interests' share of goodwill is not recognised.

In the rare occasion when the share of net assets acquired exceeds the cost of combination, a reassessment of the acquisition date accounting is performed, and any remaining excess is recognised immediately in profit or loss as a bargain purchase gain and attributed to the owners of the parent Company only.

Purchased goodwill, including goodwill on acquisition of an interest in an associate or a joint venture, is amortised on the straight-line basis over 10 years and is subject to impairment test whenever there is any indication of impairment.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**f. 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%
Electrical wiring	10%
Furniture & fittings	10%
Motor vehicles	20%
Office equipment	10%
Renovation	10%

**g. 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.

**h. 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 5 years.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**i. Financial Instruments**

**(i) Initial Recognition and Measurement**

A financial asset or financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially at the transaction price (including transaction costs except in the initial measurement of a financial asset or financial liability that is measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction. If the arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**(ii) Subsequent Measurement**

Debt instruments that meet the following conditions are measured at amortised cost using the effective interest method:

- (a) returns to the holder are determinable, e.g. a fixed amount and/or variable rate of return benchmark against a quoted or observable interest rate;
- (b) there is no contractual provision that could result in the holder losing the principal amount or any interest attributable to the current or prior periods; and
- (c) prepayment option, if any, is not contingent on future events.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**i. Financial Instruments (cont'd)**

**(ii) Subsequent Measurement (cont'd)**

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of the cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing transaction.

Investments in shares are measured at cost less impairment, unless the shares are publicly traded or their fair value can be measured reliably, in which case the investments are measured at fair value with changes in fair value recognised in profit or loss.

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed at each reporting date whether there is any objective evidence of impairment. An impairment loss is measured as follows:

- For an instrument measured at amortised cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.
- \* For an instrument measured at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

**(iii) Derecognition**

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are settled, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset derecognised and the consideration received, including any newly created rights and obligations, is recognised in profit or loss.

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

i. Financial Instruments (cont'd)

(iii) Derecognition (cont'd)

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

j. 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 years of respective agreements so as to produce a constant yearic rate of interest on the remaining balance of the liabilities for each year.

k. 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.



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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**k. Income Tax (cont'd)**

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.

Deferred tax is measured at the tax rates that are expected to apply in the year 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.

**l. Foreign Currencies**

**i) Foreign Currency - Foreign Currency Transactions**

Transactions in foreign currencies are initially recognised in the functional currency by applying to the foreign currency amount the spot exchange rates between the functional currency and the foreign currency at the date of the transactions.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of the transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**1. Foreign Currencies (cont'd)**

**i) Foreign Currency - Foreign Currency Transactions (cont'd)**

Exchange differences are recognised in profit or loss in the period in which they arise except when a gain or loss on a non-monetary item is recognised in other comprehensive income. If so, any exchange differences relating to that gain or loss is recognised in other comprehensive income.

**ii) Foreign Currencies - Exchange Differences on Net Investment in Foreign Operations**

Exchange differences arising on monetary items that forms part of the Company's net investment in foreign operations are recognised in the profit or loss in the separate financial statements of the Company. In the financial statements, such exchange differences are recognised initially in other comprehensive income and accumulated in equity under the heading of translation reserves. They are not recognised in profit or loss on disposal of the net investment.

**iii) Foreign Currencies - Foreign Operations**

Assets and liabilities of foreign operations, including goodwill arising on the acquisition and any fair value adjustments, are translated to the presentation currency at the closing rate at the end of the reporting period. Income and expenses are translated at exchange rates at the date of the transactions. All resulting exchange differences are recognised in other comprehensive income and reported as a component of equity. They are not subsequently reclassified to profit or loss.

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

m. Provisions for Liabilities

Provisions for liabilities are recognised when the Company have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount a provision is the present value of the expenditure expected to be required to settle the obligation.

n. 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.

o. 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.**  
*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**2. ACCOUNTING POLICIES (CONT'D)**

**p. Cash and Cash Equivalents**

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances, short-term bank deposits and other short-term, highly liquid investments that have a short maturity of three months or less from the date of acquisitions, net of bank overdrafts.

**q. Impairment of Non-Financial 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 profit or loss 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 profit or loss 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 in profit or loss, a reversal of that impairment loss is credited to profit or loss.

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**3. PROPERTY, PLANT & EQUIPMENT**

Group	As at 1.1.2016 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2016 RM
2016				
<b>COST</b>				
Computer system	695,114	54,348	-	749,462
Electrical wiring	-	34,845	-	34,845
Furniture & fittings	69,934	28,495	-	98,429
Motor vehicles	395,183	-	-	395,183
Office equipment	168,286	24,308	(1,500)	191,094
Renovations	125,606	77,113	-	202,719
	<b>1,454,123</b>	<b>219,109</b>	<b>(1,500)</b>	<b>1,671,732</b>

	As at 1.1.2016 RM	Charge for the period RM	Disposal/ Retirement RM	As at 31.12.2016 RM
<b>ACCUMULATED DEPRECIATION</b>				
Computer system	660,251	17,863	-	678,114
Electrical wiring	-	3,194	-	3,194
Furniture & fittings	69,491	2,950	-	72,441
Motor vehicles	291,086	79,036	-	370,122
Office equipment	162,086	3,119	(313)	164,892
Renovations	125,567	7,711	-	133,278
	<b>1,308,481</b>	<b>113,873</b>	<b>(313)</b>	<b>1,422,041</b>

	As at 31.12.2016 RM	As at 31.12.2015 RM
<b>NET BOOK VALUE</b>		
Computer system	71,348	34,863
Electrical wiring	31,651	-
Furniture & fittings	25,988	443
Motor vehicles	25,061	104,097
Office equipment	26,202	6,200
Renovations	69,441	39
	<b>249,691</b>	<b>145,642</b>

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

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

Company	As at 1.1.2016 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2016 RM
2016				
<b>COST</b>				
Computer system	401,109	28,968	-	430,077
Electrical wiring	-	34,845	-	34,845
Furniture & fittings	69,934	28,495	-	98,429
Motor vehicles	395,183	-	-	395,183
Office equipment	166,271	24,308	(1,500)	189,079
Renovations	125,606	77,113	-	202,719
	<b>1,158,103</b>	<b>193,729</b>	<b>(1,500)</b>	<b>1,350,332</b>

	As at 1.1.2016 RM	Charge for the period RM	Disposal/ Retirement RM	As at 31.12.2016 RM
<b>ACCUMULATED DEPRECIATION</b>				
Computer system	370,787	15,080	-	385,867
Electrical wiring	-	3,194	-	3,194
Furniture & fittings	69,491	2,950	-	72,441
Motor vehicles	291,086	79,036	-	370,122
Office equipment	160,072	3,119	(313)	162,878
Renovations	125,567	7,711	-	133,278
	<b>1,017,003</b>	<b>111,090</b>	<b>(313)</b>	<b>1,127,780</b>

	As at 31.12.2016 RM	As at 31.12.2015 RM
<b>NET BOOK VALUE</b>		
Computer system	44,210	30,322
Electrical wiring	31,651	-
Furniture & fittings	25,988	443
Motor vehicles	25,061	104,097
Office equipment	26,201	6,199
Renovations	69,441	39
	<b>222,552</b>	<b>141,100</b>

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

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

Motor vehicles of the Group and of the Company with net book value of RM25,061 (2015: RM104,097) are acquired under hire purchase arrangement.

The depreciation charge on property, plant & equipment of RMNil (2015: RM1,698) of the Group was capitalised as development expenditure.

**4. GOODWILL ON COMBINATION**

	Group	
	2016 RM	2015 RM
Cost	-	392,433
Amortisation		
- At beginning of year		
- As previously reported	-	-
- Prior year adjustment	-	(392,433)
- As restated	-	(392,433)
- Amortisation during the year	-	-
- At end of year	-	(392,433)
Net carrying amount	-	-

**5. INVESTMENT IN SUBSIDIARY COMPANY**

	Company	
	2016 RM	2015 RM
Unquoted shares, at cost	100,000	2

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**5. INVESTMENT IN SUBSIDIARY COMPANY (CONT'D)**

The subsidiary company is:

	Country of incorporation	Principal activities	Effective equity interest	
			2016	2015
Biztrak R & D Sdn. Bhd.	Malaysia	Software development	100%	100%

**6. INTANGIBLE ASSETS**

	Group		Company	
	2016 RM	2015 RM	2016 RM	2015 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	10,000,262	9,840,083	3,000,000	3,000,000
- Computer software	195,081	-	-	-
	<u>10,470,343</u>	<u>10,115,083</u>	<u>3,275,000</u>	<u>3,275,000</u>
Amortisation				
- At beginning of year	8,418,930	7,971,709	2,155,752	1,992,000
- Current year's amortisation	405,449	447,221	163,752	163,752
- At end of year	<u>8,824,379</u>	<u>8,418,930</u>	<u>2,319,504</u>	<u>2,155,752</u>
Net carrying amount	<u>1,645,964</u>	<u>1,696,153</u>	<u>955,496</u>	<u>1,119,248</u>

Computer software is under work-in-progress. It is not subject to amortisation as this asset is still not in use yet.

**7. TRADE RECEIVABLES**

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



**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**8. OTHER RECEIVABLES, DEPOSITS & PREPAYMENT**

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other receivables	321,178	140,676	298,544	118,042
Deposits	12,960	20,380	12,960	20,380
Prepayment	4,066	5,967	4,066	4,285
	<b>338,204</b>	<b>167,023</b>	<b>315,570</b>	<b>142,707</b>

**9. AMOUNT DUE FROM/(TO) SUBSIDIARY/RELATED COMPANY**

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

**10. DEPOSIT WITH LICENSED BANK**

The fixed deposit is pledged as security deposit for bank guarantee.

The weighted average effective interest rate and average maturities of deposits at the balance sheet date were as follows:

	Average Remaining Maturity Days		Weighted Average Effective Interest Rate	
	2016	2015	2016	2015
			%	%
Deposit with licensed bank	<b>216</b>	-	<b>3.15</b>	-

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**11. SHARE CAPITAL**

	Group & Company	
	2016	2015
	RM	RM
Ordinary shares of RM1 each:		
Authorised	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid	<u>4,650,000</u>	<u>4,650,000</u>

**12. HIRE PURCHASE PAYABLES**

	Group & Company	
	2016	2015
	RM	RM
Minimum payment		
- not later than one year	33,374	62,340
- later than one year and not later than five years	<u>21,749</u>	<u>55,123</u>
	55,123	117,463
Future finance charges on hire purchase	<u>(1,989)</u>	<u>(5,785)</u>
Present value of hire purchase payables	<u>53,134</u>	<u>111,678</u>
Current	31,844	58,544
Non-current	<u>21,290</u>	<u>53,134</u>
	53,134	111,678
Present value of hire purchase payables		
- not later than one year	31,844	58,544
- later than one year and not later than five years	<u>21,290</u>	<u>53,134</u>
	53,134	111,678

The hire purchase payables bear interest rates ranging from 2.40% to 2.50% (2015: 2.40% to 2.50%) per annum.

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**13. TERM LOANS**

	Group & Company	
	2016	2015
	RM	RM
Term loans	1,050,969	-
Payable within one year	(260,287)	-
Payable after one year	<u>790,682</u>	-
The breakdown of amount payable after one year is as follows:		
- Between two to five years	<u>790,682</u>	-

The term loan is jointly and severally guaranteed by all directors and fixed deposit with interest rates ranging from 6.75% to 10.35% per annum.

**14. LONG TERM LOAN PAYABLE**

	Group & Company	
	2016	2015
	RM	RM
Non-current portion	<u>398,763</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, interest free and with no fixed terms of repayment.

**15. TRADE PAYABLES**

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

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**16. OTHER PAYABLES, DEPOSIT RECEIVED & ACCRUALS**

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Other payables	152,283	523,691	86,661	493,334
Deposit received	-	46,500	-	46,500
Accruals	36,168	28,349	27,368	22,871
	<b>188,451</b>	<b>598,540</b>	<b>114,029</b>	<b>562,705</b>

**17. AMOUNT DUE TO A DIRECTOR**

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

**18. BANK OVERDRAFT (SECURED)**

The bank overdraft of the Company is secured by:

- a) first party Fixed Deposit of RM200,000; and
- b) joint and several guarantee by all directors of the Company.

The bank overdraft of the Company bears interest rate at 8.60% (2015: Nil%).

**19. REVENUE**

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

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**20. PROFIT/(LOSS) FOR THE YEAR**

	Group		Company	
	2016	2015	2016	2015
	RM	RM	RM	RM
Profit/(loss) for the year is arrived at after charging:				
Amortisation of intangible assets	405,449	447,221	163,752	163,752
Auditors' remuneration	9,800	7,800	6,000	6,000
Depreciation of property, plant & equipment	113,873	106,254	111,090	108,853
Directors' remuneration				
- Other emoluments	144,083	149,175	144,803	149,175
- E.P.F.	8,689	-	8,689	-
- Socso	530	-	530	-
Finance costs				
- Hire purchase interest	3,796	6,484	3,796	6,484
- Overdraft interest	900	-	900	-
- Term loan interest	48,804	-	48,804	-
Loss on disposal of property, plant & equipment	987	-	987	-
Rental of office	43,400	26,500	43,400	26,500
Staff costs	624,689	550,676	624,689	550,676
and crediting:				
Interest income	756	-	756	-
Realised gain on foreign exchange	210	-	210	-
Other income	6,952	-	6,952	-

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**21. 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	
	2016	2015
	%	%
Applicable tax rate	24	25
Tax effect of items that are not taxable for tax purposes	8	5
Unrecognised deferred tax assets	(32)	(30)
Average effective tax rate	-	-

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

	2016	2015
	RM	RM
		(Restated)
Unabsorbed tax losses	672,000	797,214

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

**BIZTRAK BUSINESS SOLUTIONS SDN. BHD.**

*(Incorporated in Malaysia)*

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**22. DEFERRED TAXATION**

As at 31st December, 2016, 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	
	2016	2015	2016	2015
	RM	RM	RM	RM
Temporary difference between book depreciation and capital allowance on property, plant & equipment	(16,700)	(5,124)	(9,900)	(5,860)
Unabsorbed capital allowances	-	15,408	-	-
Unabsorbed tax losses	<b>1,015,800</b>	<b>1,349,373</b>	<b>168,000</b>	<b>197,217</b>
	<b>999,100</b>	<b>1,359,657</b>	<b>158,100</b>	<b>191,357</b>

**23. RELATED PARTY TRANSACTION**

	Company	
	2016	2015
	RM	RM
Purchases from subsidiary company	<b>608,774</b>	<b>300,000</b>

The above related party transaction is undertaken in the ordinary course of business at arm's length.

Company No.  
371774-H

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

**NOTES TO THE FINANCIAL STATEMENTS - 31ST DECEMBER, 2016**

**24. PRIOR YEAR ADJUSTMENT**

Prior year adjustment arose from full amortisation of goodwill under PERS which was acquired in 2005.

**25. AUTHORISATION FOR ISSUE**

The financial statements of the Group and of the Company for the financial year ended 31st December, 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 30th March, 2017.

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