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ISENTRIC SDN. BHD.

(Incorporated in Malaysia)
Company No: 183309 - K

FINANCIAL REPORT
for the financial year ended 30 June 2014

Contents

ISENTRIC SDN. BHD.
(Incorporated in Malaysia)
Company No: 183309 - K

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2014.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and providing mobile business solutions. The principal activity of the subsidiary is set out in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	4,674,394	4,678,814

DIVIDENDS

No dividend was paid since the end of the previous financial year and the directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid-up share capital from RM100,000 to RM200,000 by allotment of 100,000 new ordinary shares of RM1 each at par for the purpose of working capital. The new shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company; and

(c) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial 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 when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

HOLDING COMPANY

The holding company is Donaco International Limited, a company incorporated in Australia.

DIRECTORS

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

Lee Chin Wee
Ng Chin Kong
Lim Keong Yew
Na Chun Wee
Gerald Nicholas Tan Eng Hoe (Resigned on 4.10.2013)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares in the Company and its related corporations during the financial year are as follows:-

	< -------Number Of Ordinary Shares Of A$0.10 Each------ >			
	At 1.7.2013	Allotment /Bought	Sold	At 30.06.2014
Donaco International Limited The Holding Company				
Direct Interests				
Lee Chin Wee	7,467,105	-	(7,467,105)	-
Ng Chin Kong	7,467,105	-	(7,467,105)	-
Lim Keong Yew	41,540,155	1,450,000	(10,000,000)	32,990,155
Na Chun Wee	1,600,000	10,000,000	(8,445,000)	3,155,000
Indirect Interests				
Lee Chin Wee	-	7,467,105	-	7,467,105
Ng Chin Kong	-	7,467,105	-	7,467,105
Lim Keong Yew	202,826,200	-	(28,535,000)	174,291,200
Na Chun Wee	-	2,300,000	-	2,300,000

By virtue of his shareholdings in the holding company, Lim Keong Yew is deemed to have interests in shares in the Company and its related corporations to the extent of the holding company's interest, in accordance with Section 6A of the Companies Act 1965.

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 directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with company in which certain directors have substantial financial interest as disclosed in Note 22 to the financial statements.

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

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DIRECTORS' REPORT

AUDITORS

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

Signed in accordance with a resolution of the directors dated 0 4 AUG 2014

Ng Chin Kong

Lee Chin Wee

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STATEMENT BY DIRECTORS

We, Ng Chin Kong and Lee Chin Wee, being two of the directors of Isentric Sdn. Bhd., state that, in the opinion of the directors, the financial statements set out on pages 9 to 43 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 30 June 2014 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 04 AUG 2014

Ng Chin Kong

Lee Chin Wee

STATUTORY DECLARATION

I, Ng Chin Kong, I/C No. 781106-14-5705, being the director primarily responsible for the financial management of Isentric Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 9 to 43 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Ng Chin Kong, I/C No. 781106-14-5705,
at Kuala Lumpur in the Federal Territory
on this 04 AUG 2014

Ng Chin Kong

Before me

PESURUHJAYA SUMPAH
NO. W 668
LAI DIN
MALAYSIA

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISENTRIC SDN. BHD.
(Incorporated in Malaysia)
Company No: 183309 - K

Report on the Financial Statements

We have audited the financial statements of Isentric Sdn. Bhd., which comprise the statements of financial position as at 30 June 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 43.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISENTRIC SDN. BHD. (CONT'D)
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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 30 June 2014 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of the subsidiary of which we have not acted as auditors, which is indicated in Note 6 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiary that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit report on the financial statements of the subsidiary did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Matters

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

Crowe Horwath

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Cheong Tze Yuan
Approval No: 3034/04/16 (J)
Chartered Accountant

04 AUG 2014

Kuala Lumpur

ISENTRIC SDN. BHD.
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STATEMENTS OF FINANCIAL POSITION AT 30 JUNE 2014

	Note	The Group 2014 RM	The Group 2013 RM	The Company 2014 RM	The Company 2013 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in a subsidiary	6	-	-	2	2
Property and equipment	7	75,734	105,163	75,734	105,163
Development expenditure	8	592,057	274,572	592,057	274,572
		667,791	379,735	667,793	379,737
CURRENT ASSETS					
Trade receivables	9	11,738,030	6,255,831	11,738,030	6,255,831
Other receivables and deposits	10	86,238	106,021	85,596	105,379
Amount owing by holding company	11	137,076	-	137,076	-
Amount owing by a subsidiary	12	-	-	6,126	1,026
Amount owing by a related party	13	360,000	-	360,000	-
Cash and bank balances		4,398,592	548,091	4,398,471	547,950
		16,719,936	6,909,943	16,725,299	6,910,186
TOTAL ASSETS		17,387,727	7,289,678	17,393,092	7,289,923
EQUITY AND LIABILITY					
EQUITY					
Share capital	14	200,000	100,000	200,000	100,000
Retained profits	15	8,119,398	3,445,004	8,126,463	3,447,649
TOTAL EQUITY		8,319,398	3,545,004	8,326,463	3,547,649
CURRENT LIABILITIES					
Trade payables	16	8,129,214	3,507,506	8,129,214	3,507,506
Other payables and accruals	17	914,520	228,096	912,820	225,696
Provision for taxation		24,595	9,072	24,595	9,072
		9,068,329	3,744,674	9,066,629	3,742,274
TOTAL EQUITY AND LIABILITY		17,387,727	7,289,678	17,393,092	7,289,923

ISENTRIC SDN. BHD.
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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		The Group		The Company	
		1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**	**1.7.2013 to 30.6.2014**	**1.1.2013 to 30.6.2013**
	Note	RM	RM	RM	RM
REVENUE	18	24,196,233	8,272,474	24,196,233	8,272,474
COST OF SALES		(15,145,962)	(6,728,661)	(15,145,962)	(6,728,661)
GROSS PROFIT		9,050,271	1,543,813	9,050,271	1,543,813
OTHER INCOME		19,094	553	19,094	553
		9,069,365	1,544,366	9,069,365	1,544,366
ADMINISTRATION EXPENSES		(4,038,019)	(837,656)	(4,033,599)	(836,297)
OTHER EXPENSES		(325,219)	(43,310)	(325,219)	(43,310)
PROFIT BEFORE TAXATION	19	4,706,127	663,400	4,710,547	664,759
INCOME TAX EXPENSE	20	(31,733)	(12,900)	(31,733)	(12,900)
PROFIT AFTER TAXATION		4,674,394	650,500	4,678,814	651,859
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR/PERIOD		4,674,394	650,500	4,678,814	651,859
PROFIT AFTER TAXATION ATTIBUTABLE TO:-					
Owners of the Company		4,674,394	650,500	4,678,814	651,859
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:-					
Owners of the Company		4,674,394	650,500	4,678,814	651,859

ISENTRIC SDN. BHD.
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

The Group	Note	Share Capital RM	Retained Profits RM	Total RM
Balance at 1.1.2013		100,000	3,394,504	3,494,504
Profit after taxation/Total comprehensive income for the financial period		-	650,500	650,500
Dividend	21	-	(600,000)	(600,000)
Balance at 30.6.2013/1.7.2013		100,000	3,445,004	3,545,004
Issuance of shares		100,000	-	100,000
Profit after taxation/Total comprehensive income for the financial year		-	4,674,394	4,674,394
Balance at 30.6.2014		200,000	8,119,398	8,319,398

The Company	Note	Share Capital RM	Retained Profits RM	Total RM
Balance at 1.1.2013		100,000	3,395,790	3,495,790
Profit after taxation/Total comprehensive income for the financial period		-	651,859	651,859
Dividend	21	-	(600,000)	(600,000)
Balance at 30.6.2013/1.7.2013		100,000	3,447,649	3,547,649
Issuance of shares		100,000	-	100,000
Profit after taxation/Total comprehensive income for the financial year		-	4,678,814	4,678,814
Balance at 30.6.2014		200,000	8,126,463	8,326,463

ISENTRIC SDN. BHD.
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STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

		The Group		The Company	
		1.7.2013 to 30.6.2014	1.1.2013 to 30.6.2013	1.7.2013 to 30.6.2014	1.1.2013 to 30.6.2013
	Note	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		4,706,127	663,400	4,710,547	664,759
Adjustments for:-					
Amortisation of development expenditure		245,203	79,028	245,203	79,028
Allowance for impairment losses on trade receivables		259,267	-	259,267	-
Depreciation of property and equipment		65,308	36,509	65,308	36,509
Interest income		(19,094)	(217)	(19,094)	(217)
Operating profit before working capital changes		5,256,811	778,720	5,261,231	780,079
(Increase)/Decrease in trade and other receivables		(5,721,683)	698,690	(5,721,683)	698,690
Increase/(Decrease) in trade and other payables		5,308,132	(220,760)	5,308,832	(220,484)
Increase in amount owing by a related party		(360,000)	-	(360,000)	-
CASH FROM OPERATIONS		4,483,260	1,256,650	4,488,380	1,258,285
Income tax (paid)/refund		(16,210)	2,904	(16,210)	2,904
NET CASH FROM OPERATING ACTIVITIES		4,467,050	1,259,554	4,472,170	1,261,189
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to holding company		(37,076)	-	(37,076)	-
Advances to a subsidiary		-	-	(5,100)	(1,026)
Purchase of property and equipment		(35,879)	(22,716)	(35,879)	(22,716)
Development expenditure		(562,688)	(215,410)	(562,688)	(215,410)
Interest received		19,094	217	19,094	217
NET CASH FOR INVESTING ACTIVITIES		(616,549)	(237,909)	(621,649)	(238,935)
NET CASH FOR FINANCING ACTIVITY					
Dividends paid	21	-	(1,000,000)	-	(1,000,000)
NET INCREASE IN CASH AND BANK BALANCES		3,850,501	21,645	3,850,521	22,254
CASH AND BANK BALANCES AT BEGINNING OF THE FINANCIAL YEAR/ PERIOD		548,091	526,446	547,950	525,696
CASH AND BANK BALANCES AT END OF THE FINANCIAL YEAR/PERIOD		4,398,592	548,091	4,398,471	547,950

1. GENERAL INFORMATION

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

Registered office	: 16B, Jalan SS4D/14, 47301 Petaling Jaya, Selangor Darul Ehsan.
Principal place of business	: 3, Jalan 51A/227, 46100 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 4 August 2014.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and providing mobile business solutions. The principal activity of the subsidiary is set out in Note 6 to the financial statements. There have been no significant changes in the nature of these principal activities during the financial year.

3. HOLDING COMPANY

The holding company is Donaco International Limited, a company incorporated in Australia.

4. BASIS OF PREPARATION

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

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 (2011) Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 – 2011 Cycle

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

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	)
MFRS 9 (2010) Financial Instruments	) To be
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	) announced) by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	))
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 11 : Accounting for Acquisitions of Interests in Joint Operations	1 January 2016

4. BASIS OF PREPARATION (CONT'D)

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

MFRSs and IC Interpretations (Including The Consequential Amendments) (Cont'd)	Effective Date
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 119: Defined Benefit Plans – Employee Contributions	1 July 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014

The above accounting standards and interpretations (including the consequential amendments) are not relevant to the Group's operations except as follows:

MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. These amendments are expected to have no material impact on the financial statements of the Group.

The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. These amendments are expected to have no material impact on the financial statements of the Group.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(b) Income Taxes

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

(c) Impairment of Non-financial Assets

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

(d) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(e) Impairment of Trade and Other Receivables

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

(f) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION

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

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

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

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

(a) Business Combinations

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.2 BASIS OF CONSOLIDATION (CONT'D)

(b) Non-controlling Interests

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

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

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

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

(d) Loss of Control

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

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

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

5. SIGNIFICANT ACCOUNTING POLICY (CONT'D)

5.3 FUNCTIONAL AND FOREIGN CURRENCIES

(a) Functional and Presentation Currency

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

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

(b) Transactions and Balances

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

5.4 FINANCIAL INSTRUMENTS

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

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICY (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets

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

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

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with revenue recognised on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

5. SIGNIFICANT ACCOUNTING POLICY (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iii) Loans and Receivables Financial Assets

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

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

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

5. SIGNIFICANT ACCOUNTING POLICY (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial Liabilities

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

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

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

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

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

5. SIGNIFICANT ACCOUNTING POLICY (CONT'D)

5.4 FINANCIAL INSTRUMENTS (CONT'D)

(d) Derecognition (Cont'd)

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

5.5 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries including the fair value adjustments on intergroup loans at inception date (and the share options granted to employees of the subsidiaries) are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable.

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

5.6 PROPERTY AND EQUIPMENT

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

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

Office equipment	20%
Computer equipment	33%
Renovation	20%

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.6 PROPERTY AND EQUIPMENT (CONT'D)

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

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

5.7 DEVELOPMENT EXPENDITURE

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 IMPAIRMENT

(a) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

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

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.8 IMPAIRMENT (CONT'D)

(b) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount. A reversal of an impairment loss on a revalued asset is credited to other comprehensive income. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment loss is recognised as income in the statements of profit or loss and other comprehensive income.

5.9 INCOME TAXES

Income tax for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.9 INCOME TAXES (CONT'D)

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

5.10 CASH AND CASH EQUIVALENTS

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

5.11 EMPLOYEE BENEFITS

(a) Short-term Benefits

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

(b) Defined Contribution Plans

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.12 RELATED PARTIES

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

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) both entities are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) the entity is controlled or jointly controlled by a person identified in (a) above.
(vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

5.13 REVENUE AND OTHER INCOME

(a) Sale of Goods

Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

5.13 REVENUE AND OTHER INCOME (CONT'D)

(c) Revenue from Support Maintenance Services

Revenue from support maintenance services is recognised on the provision of software licensing maintenance and product enhancement services.

(d) Licensing Software

Revenue is recognised when the right to use the software is granted to the buyers.

(e) Interest Income

Interest income is recognised on an accrual basis, based on the effective yield on the investment.

5.14 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

6. INVESTMENT IN A SUBSIDIARY

	The Company	
	2014	**2013**
	RM	RM
Unquoted shares, at cost	2	2

Details of the subsidiary are as follows:-

Name	Country of Incorporation	Effective Equity Interest		Principal Activity
		2014 (%)	2013 (%)	
Isentric Wireless Sdn. Bhd. #	Malaysia	100	100	Dormant.

 # - Not audited by Messrs. Crowe Horwath.

7. PROPERTY AND EQUIPMENT

The Group/The Company	At 1.7.2013 RM	Additions RM	Depreciation Charge RM	At 30.6.2014 RM
Net Book Value				
Office equipment	26,924	6,572	(10,306)	23,190
Computer equipment	75,038	29,307	(54,351)	49,994
Renovation	3,201	-	(651)	2,550
	105,163	35,879	(65,308)	75,734

	At 1.1.2013 RM	Additions RM	Depreciation Charge RM	At 30.6.2013 RM
Net Book Value				
Office equipment	21,289	10,785	(5,150)	26,924
Computer equipment	97,667	8,676	(31,305)	75,038
Renovation	-	3,255	(54)	3,201
	118,956	22,716	(36,509)	105,163

7. PROPERTY AND EQUIPMENT (CONT'D)

The Group/The Company	At Cost RM	Accumulated Depreciation RM	Net Book Value RM
2014			
Office equipment	63,030	(39,840)	23,190
Computer equipment	205,697	(155,703)	49,994
Renovation	3,255	(705)	2,550
	271,982	(196,248)	75,734
2013			
Office equipment	56,458	(29,534)	26,924
Computer equipment	176,390	(101,352)	75,038
Renovation	3,255	(54)	3,201
	236,103	(130,940)	105,163

8. DEVELOPMENT EXPENDITURE

	The Group/The Company 2014 RM	2013 RM
At cost:-		
Balance brought forward	1,166,423	951,013
Additions during the financial year/period	562,688	215,410
	1,729,111	1,166,423
Accumulated amortisation	(1,137,054)	(891,851)
Balance carried forward	592,057	274,572
Accumulated amortisation:-		
At 1 July 2013/ 1 January 2013	(891,851)	(812,823)
Amortisation during the financial year/period	(245,203)	(79,028)
At 30 June	(1,137,054)	(891,851)

Development expenditure of the Group and of the Company represents direct expenditure and related overheads incurred for the development of mobile solution software and enhancement of existing software products.

8. DEVELOPMENT EXPENDITURE (CONT'D)

Included in the development expenditure incurred for the financial year/period are the following expenses:-

	The Group/The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**
	RM	RM
Purchases of software	248,000	130,000
Staff costs	314,688	85,410

9. TRADE RECEIVABLES

	The Group/The Company	
	2014	**2013**
	RM	RM
Trade receivables	11,997,297	6,255,831
Allowance for impairment losses	(259,267)	-
	11,738,030	6,255,831

Included in trade receivables of the Group and of the Company is an amount of RM7,230 (2013 - RM39,526) owing by a company in which certain directors of the Company have substantial financial interests.

The normal credit terms granted by the Group and the Company range from 30 to 90 days (2013 - 30 to 90 days). Other credit terms are assessed and approved on a case-by-case basis.

10. OTHER RECEIVABLES AND DEPOSITS

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	RM	RM	RM	RM
Other receivables	41,502	50,191	40,860	49,549
Deposits	44,736	55,830	44,736	55,830
	86,238	106,021	85,596	105,379

11. AMOUNT OWING BY HOLDING COMPANY

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

12. AMOUNT OWING BY A SUBSIDIARY

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

13. AMOUNT OWING BY A RELATED PARTY

The amount owing is trade in nature. The normal credit terms granted by the Group and the Company range from 30 to 90 days.

14. SHARE CAPITAL

	2014	2013	2014	2013
	Number Of Shares		RM	RM
Ordinary shares of RM1 each				
Authorised	800,000	800,000	800,000	800,000
Issued And Fully Paid-Up				
At 1 July/January	100,000	100,000	100,000	100,000
Issuance of shares	100,000	-	100,000	-
At 30 June	200,000	100,000	200,000	100,000

During the financial year, the Company increased its issued and paid-up share capital from RM100,000 to RM200,000 by allotment of 100,000 new ordinary shares of RM1 each at par for the purpose of working capital. The new shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company.

15. RETAINED PROFITS

The retained profits, if distributed as dividends, will be under the single tier system. Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

16. TRADE PAYABLES

The normal credit terms granted to the Group and to the Company range from 30 to 90 days (2013 - 30 to 90 days).

17. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	RM	RM	RM	RM
Other payables	756,015	186,340	756,015	183,940
Accruals	158,505	41,756	156,805	41,756
	914,520	228,096	912,820	225,696

18. REVENUE

	The Group/The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**
	RM	RM
Enterprise mobility	6,961,903	2,783,606
Digital payments	12,905,961	4,617,551
Digital contents and services	4,328,369	871,317
	24,196,233	8,272,474

19. PROFIT BEFORE TAXATION

	The Group		The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**	**1.7.2013 to 30.6.2014**	**1.1.2013 to 30.6.2013**
	RM	RM	RM	RM
Profit before taxation is arrived at after charging/(crediting):-				
Amortisation of development expenditure	245,203	79,028	245,203	79,028
Audit fee:				
- current year	20,000	18,000	20,000	18,000
- other services	25,500	-	25,500	-
Allowance for impairment losses on trade receivables	259,267	-	259,267	-
Depreciation of property and equipment	65,308	36,509	65,308	36,509
Directors' non-fee emoluments:				
- salaries	480,000	240,000	480,000	240,000
- defined contribution plan	57,600	28,800	57,600	28,800
Realised loss on foreign exchange	644	6,801	644	6,801
Rental of premises	103,811	50,789	103,811	50,789
Staff costs:				
- salaries, wages and bonuses	1,473,698	501,120	1,473,698	501,120
- defined contribution plan	182,541	66,763	182,541	66,763
Interest income	(19,094)	(217)	(19,094)	(217)

20. INCOME TAX EXPENSE

	The Group/The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**
	RM	RM
Current tax expense:		
- for the financial year/period	18,000	12,900
- underprovision in the previous financial period	13,733	-
	31,733	12,900

20. INCOME TAX EXPENSE (CONT'D)

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

	The Group		The Company	
	1.7.2013 to 30.6.2014	1.1.2013 to 30.6.2013	1.7.2013 to 30.6.2014	1.1.2013 to 30.6.2013
	RM	RM	RM	RM
Profit before taxation	4,706,127	663,400	4,710,547	664,759
Tax at the statutory tax rate of 25%	1,176,532	165,850	1,177,637	166,190
Tax effects of:-				
Non-taxable income	(1,164,833)	(228,331)	(1,164,833)	(228,331)
Non-deductible expenses	6,301	75,381	5,196	75,041
Underprovision of current tax in the previous financial period	13,733	-	13,733	-
Income tax expense for the financial year/period	31,733	12,900	31,733	12,900

The Company has been granted the MSC Malaysia Status, which qualifies the Company for the Pioneer Status Incentive under the Promotion of Investment Act, 1986. The Company enjoys full exemption from income tax on its statutory income from its pioneer activities for 5 years, from 1 July 2009 to 30 June 2014.

21. DIVIDEND

	The Group/The Company	
	2014	2013
	RM	RM
Declared and paid:-		
First tax-exempt interim dividend of RM6.00 per ordinary share in respect of the financial period ended 30 June 2013	-	600,000
Paid:-		
Second tax-exempt interim dividend of RM4.00 per ordinary share in respect of the financial year ended 31 December 2012	-	400,000
	-	1,000,000

22. RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has related party relationships with:-

(i) a close member of the family of a director;

(ii) an entity controlled by certain key management personnel, directors and/or substantial shareholders; and

(iii) the directors who are the key management personnel.

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

	The Group/The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**
	RM	RM
Office rental expenses paid/payable to a related party	90,000	42,000
Purchases paid/payable to a related party	3,598	1,134
Sales received/receivable from a related party	(360,000)	(13,914)

(c) Key management personnel compensation

	The Group/The Company	
	1.7.2013 to 30.6.2014	**1.1.2013 to 30.6.2013**
	RM	RM
Short-term employee benefits		
- salaries	480,000	240,000
- defined contribution plan	57,600	28,800

23. FINANCIAL INSTRUMENTS

The Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Company's business whilst managing its market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The policies in respect of the major areas of treasury activity are as follow:-

23.1 FINANCIAL RISK MANAGEMENT POLICIES

(a) Market Risk

(i) Foreign Currency Risk

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

(ii) Interest Rate Risk

The Group does not have any interest-bearing borrowings and hence is not exposed to interest rate risk. Any surplus funds of the Company will be placed with licensed financial institutions to generate income.

(iii) Equity Price Risk

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

(b) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk related to the amounts owing by a customer which constituted approximately 66% of its total trade receivables (including amount owing by a related party).

(ii) Ageing analysis

The ageing analysis of the Group and the Company trade receivables (including amount owing by a related party) at the end of the reporting period is as follows:-

The Group	Gross Amount RM	Individual Impairment RM	Carrying Value RM
2014			
Not past due	4,526,568	-	4,526,568
Past due:-			
- less than 3 months	6,419,496	-	6,419,496
- 3 to 6 months	402,537	-	402,537
- over 6 months	1,008,696	(259,267)	749,429
	12,357,297	(259,267)	12,098,030
2013			
Not past due	1,654,408	-	1,654,408
Past due:-			
- less than 3 months	3,582,156	-	3,582,156
- 3 to 6 months	988,973	-	988,973
- over 6 months	30,294	-	30,294
	6,255,831	-	6,255,831

23. FINANCIAL INSTRUMENTS (CONT'D)

23.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(ii) Ageing analysis (Cont'd)

Trade receivables that are past due but not impaired

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

Trade receivables that are neither past due nor impaired

The trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and adequate working capital to meet its obligations as and when they fall due.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payment computed based on the rate at the end of the reporting period):-

The Group	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2014			
Trade payables	8,129,214	8,129,214	8,129,214
Other payables and accruals	914,520	914,520	914,520
	9,043,734	9,043,734	9,043,734
2013			
Trade payables	3,507,506	3,507,506	3,507,506
Other payables and accruals	228,096	228,096	228,096
	3,735,602	3,735,602	3,735,602

23. FINANCIAL INSTRUMENTS (CONT'D)

23.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

The Company	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
2014			
Trade payables	8,129,214	8,129,214	8,129,214
Other payables and accruals	912,820	912,820	912,820
	9,042,034	9,042,034	9,042,034
2013			
Trade payables	3,507,506	3,507,506	3,507,506
Other payables and accruals	225,696	225,696	225,696
	3,733,202	3,733,202	3,733,202

23.2 CAPITAL RISK MANAGEMENT

The Group manages its capital by maintaining an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial period. Net debt is calculated as bank borrowings less cash and cash equivalents. As the Group has no external bank borrowings as at the end of the reporting period, the debt-to-equity ratio is not presented.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	RM	RM	RM	RM
Financial Assets				
Loans and receivables financial assets				
Trade receivables	11,738,030	6,255,831	11,738,030	6,255,831
Other receivables and deposits	86,238	106,021	85,596	105,379
Amount owing by holding company	137,076	-	137,076	-
Amount owing by a subsidiary	-	-	6,126	1,026
Amount owing by a related party	360,000	-	360,000	-
Cash and bank balances	4,398,592	548,091	4,398,471	547,950
	16,719,936	6,909,943	16,725,299	6,910,186
Financial Liabilities				
Other financial liabilities				
Trade payables	8,129,214	3,507,506	8,129,214	3,507,506
Other payables and accruals	914,520	228,096	912,820	225,696
	9,043,734	3,735,602	9,042,034	3,733,202

23.4 FAIR VALUE INFORMATION

At the end of the reporting period, there were no financial instruments carried at fair values.

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

24. COMPARATIVE FIGURES

In the previous financial period, the financial year end of the Company and its subsidiary were changed from 31 December to 30 June. Consequently, the financial statements of the previous financial period were for a period of 6 months from 1 January 2013 to 30 June 2013.