



FRONTIER CAPITAL GROUP LIMITED
ACN 145 105 148
formally Precious Metal Resources Limited

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30 March 2015

Company Announcement Office
Australian Securities Exchange Limited

CK Graphic Financial Statements

The financial statements of CK Graphic for full years ended 30 June 2012, 2013 and 2014, and financial statements for the half-year ended 31 December 2014 follow.

For further information please contact

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CLIENT'S COPY

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Annual Report and Financial Statements

LESMOND LEE & CO.
(Firm No. AF 1559)
Chartered Accountants (M)

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 30 June 2012.

PRINCIPAL ACTIVITIES

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

The results of the operations of the Company are shown in the accompanying income statement summarised as below :

	2012 RM
Profit before tax	523,018.05
Income tax expense	<u>(25,268.03)</u>
Profit for the financial year	<u>497,750.02</u>

DIVIDENDS

No dividends have been paid or declared by the Company since the end of previous financial year. The directors do not propose the payment of any dividend in respect of current financial year.

MOVEMENT ON RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year, other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares of any classes nor debentures during the financial year.

OPTIONS

No options have been granted during the financial year ended covered by the income statement to take up unissued shares or debentures of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in the notes to the financial statements) 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.

DIRECTORS' BENEFITS (Cont'd)

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS

The directors who held office since the date of last report and at the date of this report are :

Ooi Chin Keat
Ho Bee Ling (f) (Resigned on 31/3/2012)
Tam Chen Kien

DIRECTORS AND THEIR SHAREHOLDINGS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2012 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows :

Name of Directors	Number of Ordinary Shares of RM1.00 each in the Company Shareholdings in the name of the director			
	As at 01/07/2011	Bought	Sold	As at 30/06/2012
OOI CHIN KEAT	16,500	-	-	16,500
HO BEE LING (F)	1,500	-	1,500	-
TAM CHEN KIEN	12,000	1,500	-	13,500

Other than as disclosed above, no other directors who were in office at the end of the financial year, had any interest in shares of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

a) BAD AND DOUBTFUL DEBTS

Before the financial statements were made out, the directors took reasonable steps to ascertain the action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

b) CURRENT ASSETS

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

OTHER STATUTORY INFORMATION (Cont'd)

c) 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 Company misleading or inappropriate.

d) CONTINGENT AND OTHER LIABILITIES

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

- i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons, or
- ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Company to meet its obligations when they fall due.

e) 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 which would render any amounts stated in the financial statements misleading.

f) ITEMS OF UNUSUAL NATURE

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

g) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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 result of the operations of the Company for the financial year in which this report is made.

Company No : 765554 - W

AUDITORS

The retiring auditors, Messrs. LESMOND LEE & CO., have indicated their willingness to be re-appointed in accordance with section 172(2) of the Companies Act, 1965.

Signed in accordance with a resolution of the Directors



OUI CHIN KEAT
Director

Kuala Lumpur

Dated : 11 DEC 2012



TAM CHEN KIEN
Director

Company No : 765554 - W

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

We, the undersigned, being the two of the Directors of

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia),

do hereby state that, in the opinion of the directors, the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are drawn up in accordance with the provision of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30 June 2012 and of the results of their operations and changes in cash flow position of the Company for the financial year ended on that date.



OOI CHIN KEAT
Director



TAM CHEN KIEN
Director

Dated : 11 DEC 2012

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, TAM CHEN KIEN,
(I/C No.: 770525-01-6509)

the director primarily responsible for the accounting records and financial management of

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia),

do solemnly and sincerely declare that the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the state of)
Federal Territory on this day, 11 DEC 2012)

Before me,

Commissioner for Oaths



16 - Tingkat Bawah Jalan Pudu,
55100 Kuala Lumpur.



TAM CHEN KIEN

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CK GRAPHIC SDN. BHD., which comprise the balance sheet as at 30 June 2012, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 22.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with applicable Private Entity Reporting Standards and the Companies Act 1965 in Malaysia, and for such internal control as the directors determine are 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.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with applicable Private Entity Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 30 June 2012 and of its financial performance and cash flows for the financial year then ended.



Company No : 765554 - W
LESMOND LEE & CO. (Firm No. AF 1559)
Chartered Accountants (M)

(Auditors' report... cont'd...)

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No. 8-3A, Jalan Pandan 3/2,
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Tel : 03- 9200 3282
(Hunting Line)
: 03- 9200 3160
(Direct Line)
Fax : 03- 9200 8286
E-mail : lesmond_kl@hotmail.com

Puchong Branch :
21-1 (Suite A), Jalan Puteri 1/4,
Bandar Puteri, 47100 Puchong,
Selangor Darul Ehsan.
Tel : 03- 8068 5996
Fax : 03- 8068 5987
Email : lesmond_puchong@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

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

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report. The financial statements of the Company as at 30 June 2011, were audited by another firm of auditors whose report dated 01 December 2011 expressed an unqualified opinion on those financial statements.

LESMOND LEE & CO.
No. AF 1559
CHARTERED ACCOUNTANTS (M)

Kuala Lumpur, Malaysia

Dated : 11 December 2012

LEE KENG MING
No. 2356/03/14(J)
PARTNER OF THE FIRM



Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 RM	2011 RM
NON CURRENT ASSETS			
Property, plant & equipment	5	986,413.76	202,440.70
CURRENT ASSETS			
Trade receivables	6	359,994.00	240,152.75
Sundry receivable, deposits & prepayments	7	60,375.75	195,575.69
Amount owing by director	8	22,020.68	-
Tax refundable		16,126.40	-
Cash & bank balances		442,404.09	207,516.31
		<u>900,920.92</u>	<u>643,244.75</u>
CURRENT LIABILITIES			
Sundry payables & accruals	9	534,019.82	182,322.86
Amount owing to directors	8	49,000.00	393,216.32
Provision for taxation		-	21,465.00
Hire purchase payables	10	20,670.59	6,003.42
Term loan	11	13,379.79	-
		<u>617,070.20</u>	<u>603,007.60</u>
NET CURRENT ASSETS			
		<u>283,850.72</u>	<u>40,237.15</u>
		<u>1,270,264.48</u>	<u>242,677.85</u>
FINANCED BY,			
Share capital	12	30,000.00	30,000.00
Retained profits		<u>671,680.44</u>	<u>173,930.42</u>
SHAREHOLDERS' EQUITY			
		701,680.44	203,930.42
NON CURRENT LIABILITIES			
Deferred tax liabilities	13	27,356.03	16,157.00
Hire purchase payables	10	124,675.83	22,590.43
Term loan	11	416,552.18	-
		<u>1,270,264.48</u>	<u>242,677.85</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012

	Note	2012 RM	2011 RM
Revenue		2,079,476.50	1,306,896.75
Direct costs		<u>(541,222.52)</u>	<u>(296,005.85)</u>
Gross profit		1,538,253.98	1,010,890.90
Other operating income		2,018.25	4,671.35
Distribution costs		(78,336.93)	(59,778.00)
Administrative expenses		(877,515.82)	(738,426.92)
Other operating expenses		<u>(38,709.50)</u>	<u>(32,650.00)</u>
Profit from operations	14	545,709.98	184,707.33
Finance costs	15	<u>(22,691.93)</u>	<u>(1,581.00)</u>
Profit before tax		523,018.05	183,126.33
Income tax expense	16	<u>(25,268.03)</u>	<u>(43,895.00)</u>
Profit for the financial year		<u>497,750.02</u>	<u>139,231.33</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012

	Share Capital RM	Retained Profits RM	Total RM
Balance at 01 July 2010	30,000.00	34,699.09	64,699.09
<i>Changes :</i>			
Profit for the financial year	-	139,231.33	139,231.33
Balance at 30 June 2011	30,000.00	173,930.42	203,930.42
<i>Changes :</i>			
Profit for the financial year	-	497,750.02	497,750.02
Balance at 30 June 2012	30,000.00	671,680.44	701,680.44

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

	2012 RM	2011 RM
CASH FLOWS FROM : -		
a) <u>OPERATING ACTIVITIES :</u>		
Profit before tax	523,018.05	183,126.33
Adjustment for :		
Depreciation of plant & equipment	79,136.98	40,549.92
Interest expense	22,691.93	1,581.00
Operating profit before working capital changes	624,846.96	225,257.25
Decrease / (Increase) in receivables	15,358.69	(243,734.00)
Increase in payables	351,696.96	46,634.00
(Increase) in amount owing by director	(22,020.68)	-
(Decrease) / Increase in amount owing to directors	(344,216.32)	197,193.00
Cash generated from operations	625,665.61	225,350.25
Income tax refundable	4,000.00	-
Income tax paid	(55,660.40)	(3,996.00)
Interest paid	(22,691.93)	(1,581.00)
Net cash from operating activities	551,313.28	219,773.25
b) <u>INVESTING ACTIVITY :</u>		
Purchase of plant & equipment	(298,110.04)	(119,087.56)
Net cash (used in) investing activity	(298,110.04)	(119,087.56)
c) <u>FINANCING ACTIVITIES :</u>		
(Repayment) of term loan	(10,068.03)	-
(Repayment) of hire purchase payables	(8,247.43)	(4,206.00)
Net cash (used in) financing activities	(18,315.46)	(4,206.00)
Increase in Cash & Cash Equivalents	234,887.78	96,479.69
Cash & Cash Equivalents At Beginning of Financial Year	207,516.31	111,036.62
Cash & Cash Equivalents At End of Financial Year	442,404.09	207,516.31

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

NOTES TO CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012

1. Plant & Equipment

During the financial year, the Company had acquired plant & equipment at an aggregate value of RM863,110.04 (2011: RM151,888.00) which was financed by means of the followings :-

	2012 RM	2011 RM
Term loan	440,000.00	-
Cash payment	298,110.04	119,087.56
Hire purchase	125,000.00	32,800.00
	<u>863,110.04</u>	<u>151,887.56</u>

2. Cash and Cash Equivalents

Cash and cash equivalents of the Company consists of cash in hand and at bank only. Cash and cash equivalents included in the Cash Flow Statement comprise of the following balance sheet amounts :

	2012 RM	2011 RM
Cash in hand	1,517.86	491.81
Cash at bank	440,886.23	207,024.50
	<u>442,404.09</u>	<u>207,516.31</u>

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012

1. CORPORATE INFORMATION

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

The Company is a private limited company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12A-3 Jalan PJU 8/5C, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.

The principal place of business of the Company is located at B-3-03, Neo Damansara, No. 1 Jalan PJU 8/1, Bandar Damansara Perdana, 47820 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 on the same date as the directors' report.

2. BASIC OF PREPARATION OF THE FINANCIAL STATEMENTS

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

These financial statements are presented in Ringgit Malaysia (RM).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia "PERS" requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b) Property, Plant & Equipment - Depreciation

All items of property, plant & equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (if any).

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates

3. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

b) Property, Plant & Equipment - Depreciation (cont'd)

	Rate
Shoplot	2%
Furniture & fittings	10%
Office equipment	20%
Computer	20%
Books	10%
Renovation	10%
Motor vehicles	20%
Air-conditioners	20%
Handphone	20%

An item of property, plant and equipment is derecognised upon disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

c) Income Tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

d) Impairment of assets

The carrying amounts of the Company's non-current assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying amounts 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 flow. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the assets 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.

e) Revenue and Income Recognition

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

e) Revenue and Income Recognition (cont'd)

Revenue from rendering of services is measured by reference of the stage of completion of the transaction at the balance sheet date.

f) Assets Acquired Under Hire-Purchase and Lease Agreement

Assets financed by hire-purchase and lease arrangement which transfer substantially all the risks and rewards of ownership to the Company are capitalised as plant and equipment and the corresponding obligations are treated as liabilities. The plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

g) Financial 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 instruments classified as liability are reported as 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 set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Payables

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

(iii) Financial assets

The Company's principal financial assets are cash and bank balances, amount owing by director and trade and other receivables. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

(iv) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Financial liabilities include other payables, amount owing to directors and term loan which are stated at their nominal values.

Term loan and bank borrowings are recorded at the proceeds received, and the associated finance costs are accounted for on an accrual basis.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

h) Employee Benefits

i) Short term benefits

Wages, salaries, paid leave and sick leave, bonus and non-monetary benefits are recognised and accrued in the financial year in which associated services are rendered by employees of the Company.

ii) Defined contribution plan

As required by law, Companies in Malaysia make contributions to the national pension scheme, the Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Critical Judgements Made in Applying the Company's Accounting Policies

There is no critical judgement made by management in the process of applying the Company's accounting policies that have the most significant effect on the amount recognised in these financial statements.

b) Key Sources of Estimation Uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3 b). These are common life expectancies applied in the industry. Changes in expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Provisions

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

(iii) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. These were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

5. PROPERTY, PLANT & EQUIPMENT

	Beginning of the year	Addition/ Charge for the year	(Disposals) / (Written off)	End of the year
Cost				
2012	RM	RM	RM	RM
Shoplot	-	574,590.34	-	574,590.34
Furniture & fittings	36,021.00	2,940.00	-	38,961.00
Office equipment	22,804.00	9,948.00	-	32,752.00
Computer	141,261.00	110,897.00	-	252,158.00
Books	5,060.00	-	-	5,060.00
Renovation	21,176.00	13,380.00	-	34,556.00
Motor vehicles	49,743.56	149,054.70	-	198,798.26
Air-conditioners	10,369.00	2,300.00	-	12,669.00
	<u>286,434.56</u>	<u>863,110.04</u>	-	<u>1,149,544.60</u>
2011	<u>134,547.00</u>	<u>151,887.56</u>	-	<u>286,434.56</u>
Accumulated depreciation				
2012				
Shoplot	-	11,491.81	-	11,491.81
Furniture & fittings	875.80	3,750.10	-	4,625.90
Office equipment	8,941.56	5,520.10	-	14,461.66
Computer	62,409.79	34,981.45	-	97,391.24
Books	2,066.16	506.00	-	2,572.16
Renovation	176.47	3,335.60	-	3,512.07
Motor vehicles	9,119.65	17,401.45	-	26,521.10
Air-conditioners	404.43	2,150.47	-	2,554.90
	<u>83,993.86</u>	<u>79,136.98</u>	-	<u>163,130.84</u>
2011	<u>43,443.94</u>	<u>40,549.92</u>	-	<u>83,993.86</u>
Net carrying amounts			2012	2011
			RM	RM
Shoplot			563,098.53	-
Furniture & fittings			34,335.10	35,145.20
Office equipment			18,290.34	13,862.44
Computer			154,766.76	78,851.21
Books			2,487.84	2,993.84
Renovation			31,043.93	20,999.53
Motor vehicles			172,277.16	40,623.91
Air-conditioners			10,114.10	9,964.57
			<u>986,413.76</u>	<u>202,440.70</u>

- Motor vehicles with net carrying amount of RM172,277.16 (2011: RM40,623.91) were acquired under the hire purchase installment plan.
- The net carrying amount of motor vehicles amounting to RM141,601.96 (2011: RM Nil) are registered in the name of a director.
- Included in property, plant & equipment of the Company are fully depreciated property, plant & equipment are still in use, costing RM19,550.00 (2011: RM Nil).
- The above shoplot of the Company has been pledged to bank for banking facilities granted to the Company.

Company No : 765554 - W

6. **TRADE RECEIVABLES**

The Company's normal trade credit term ranges from 30 to 90 (2011: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

7. **SUNDRY RECEIVABLE, DEPOSITS & PREPAYMENTS**

	2012 RM	2011 RM
Sundry receivable	24,382.15	32,582.00
Deposits	35,993.60	162,993.69
	<u>60,375.75</u>	<u>195,575.69</u>

8. **AMOUNT OWING BY / (TO) DIRECTORS**

These amounts are unsecured, interest-free and have no fixed term of repayment.

9. **SUNDRY PAYABLES & ACCRUALS**

	2012 RM	2011 RM
Sundry payables	60,312.68	-
Accruals	473,707.14	182,322.86
	<u>534,019.82</u>	<u>182,322.86</u>

10. **HIRE PURCHASE PAYABLES**

	2012 RM	2011 RM
Total amount repayable	178,236.50	32,753.00
Less: Interest in suspense	<u>(32,890.08)</u>	<u>(4,159.15)</u>
Total principal repayable	145,346.42	28,593.85
Less: Repayable within next 12 months (shown under current liabilities)	<u>20,670.59</u>	<u>6,003.42</u>
Non-current portion	<u>124,675.83</u>	<u>22,590.43</u>

The non-current portion is repayable as follows:
- later than one year and not later than five years

	<u>124,675.83</u>	<u>22,590.43</u>
--	-------------------	------------------

The hire purchase bore effective interest rates at the balance sheet date ranging between 5.76% to 5.88% (2011: 3.5%) per annum.

Company No : 765554 - W

11. TERM LOAN

Repayable within next 12 months
Repayable after next 12 months

2012 RM	2011 RM
13,379.79	-
416,552.18	-
<u>429,931.97</u>	<u>-</u>

The above term loan facility of the Company is secured by:

- A facility agreement for the sum of RM440,000.00.
- Subsidiary instrument.
- Joint and several guarantees by a third party and the two directors of the Company.

The term loan is repayable by 240 monthly instalment of RM2,760.00 each. The loan bears interest rate at 1.90% per annum below the Bank's Base Lending Rate with monthly rests basis.

12. SHARE CAPITAL

Authorised 100,000 ordinary shares of RM1.00 each
Issued & fully paid 30,000 ordinary shares of RM1.00 each

2012 RM	2011 RM
<u>100,000.00</u>	<u>100,000.00</u>
<u>30,000.00</u>	<u>30,000.00</u>

13. DEFERRED TAX LIABILITIES

Balance at 01 July
Deferred tax relating to recognition and reversal of temporary differences
(Over) provision of deferred tax liabilities in previous year
Balance at 30 June

2012 RM	2011 RM
16,157.00	1,723.00
24,773.97	14,434.00
<u>(13,574.94)</u>	<u>-</u>
<u>27,356.03</u>	<u>16,157.00</u>

14. PROFIT FROM OPERATIONS

The profit from operations is arrived at :

After charging :

Audit fee
Bad debts written off
Depreciation of property, plant & equipment
Directors' remuneration
- Fees
- (over) provision in previous year
- Other emoluments
Rental of premises
Staff costs

and crediting :

Refund from exhibition

2,500.00	2,100.00
21,436.00	15,180.00
79,136.98	40,549.92
-	180,000.00
(120,000.00)	-
224,000.00	96,000.00
117,270.40	28,139.00
601,059.33	256,524.00
<u>2,018.25</u>	<u>4,671.35</u>

15. FINANCE COSTS	2012 RM	2011 RM
Hire purchase interest	3,206.57	1,581.00
Term loan interest	19,485.36	-
	<u>22,691.93</u>	<u>1,581.00</u>

16. INCOME TAX EXPENSE	2012 RM	2011 RM
Current year provision	403.60	29,461.00
Under provision of income tax expense in previous year	13,665.40	-
(Over) provision of deferred tax liabilities in previous year	(13,574.94)	-
Deferred tax relating to recognition and reversal of temporary differences	<u>24,773.97</u>	<u>14,434.00</u>
Income tax expense for the financial year	<u>25,268.03</u>	<u>43,895.00</u>

On 12 November 2010, the Government of Malaysia has awarded Multimedia Super Corridor status (MSC) to the Company. This MSC Malaysia status exempts the Company 100% on statutory business income up to ten years and entitles to the incentive right and privileges provided for under the Bill of Guarantees subject to the Company's continued adherence to the aforementioned criteria.

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

	2012 RM	2011 RM
Profit before tax	<u>523,018.05</u>	<u>183,126.33</u>
Income tax expense at Malaysian statutory rate of 20% (2011: 20%)	104,603.61	36,625.27
Expenses not deductible for tax purposes	6,259.82	12,043.73
Under provision of income tax expense in previous year	13,665.40	-
Utilisation of previously unrecognised tax losses and capital allowances	-	(19,208.00)
Tax incentives	(99,260.80)	-
Deferred tax assets not recognised for the financial year	-	14,434.00
Income tax expense for the financial year	<u>25,268.03</u>	<u>43,895.00</u>

17. EMPLOYEES	2012	2011
The number of employees of the Company at the end of the financial year (including working directors)	<u>9</u>	<u>10</u>
	RM	RM
EPF & Socso contribution	79,115.00	44,776.00
Salaries, bonus & allowance	497,008.19	197,960.00
Others	<u>24,936.14</u>	<u>13,788.00</u>
	<u>601,059.33</u>	<u>256,524.00</u>

Included in staff costs of the Company are executive director's salary and other emoluments and director's fee amounting to RM104,000.00 (2011: RM276,000.00).

18. FINANCIAL INSTRUMENTS

a) Financial Risk Management Objective and Policies

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 foreign currency, interest rate, market, credit, liquidity and cash flow risks.

The policies in respect of the major areas of treasury activities are as follows:

i) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers on a regular basis. At balance sheet date, there were no significant concentrations of credit risk in the Company.

ii) Liquidity and cash flow risks

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

iii) Interest rate risk

The Company is exposed to interest risk through the impact of rate changes on interest bearing borrowing. The interest rates of the Company's borrowing are disclosed in Note 11.

b) Fair Values

The methods and assumptions used to estimate the fair values of cash and cash equivalents and trade and other receivables/payables are at carrying amounts due to the relatively short term maturity of these financial instruments, except as follows:

i) Amount owing by / (to) directors

It is not practical to estimate the fair value of the amount owing by / (to) directors due principally to a lack of fixed repayment terms entered by the party involved and without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the carrying values that would eventually be settled.

19. COMPARATIVE FIGURES

a) The following comparative figures of the Company's financial statements have been restated to conform with the current year's presentation :

	As previously <u>reported</u> 2011 RM	<u>As restated</u> 2011 RM
i) <u>Arising from classification of expenses</u>		
INCOME STATEMENT		
Distribution costs	-	59,778.00
Administrative expenses	637,457.00	738,426.92
Other operating costs	193,398.00	32,650.00

Distribution costs, administrative expenses and other operating costs have been restated to be consistent with the classification of expenses in the financial year 2012, which in the opinion of the directors would reflect a fairer presentation of financial statements.

19. COMPARATIVE FIGURES (Cont'd)

- b) The following comparative figures have been restated on the face of cash flow statement, which in the opinion of the director would reflect the fairer presentation of financial statements.

	As previously reported	As restated
i) <u>Restatement of cash flow statement</u>	2011 RM	2011 RM
CASH FLOW STATEMENT		
a) OPERATING ACTIVITIES		
Increase in amount owing to directors	-	197,193.00
Cash generated from operations	<u>26,576.00</u>	<u>225,350.25</u>
Interest paid	-	(1,581.00)
Net cash from operating activities	<u>22,580.00</u>	<u>219,773.25</u>
b) INVESTING ACTIVITY		
Purchase of plant & equipment	-	(119,087.56)
Net cash (used in) investing activities	<u>-</u>	<u>(119,087.56)</u>
c) FINANCING ACTIVITIES		
Advance from directors	197,193.00	-
Cash purchase of plant & equipment	<u>(119,088.00)</u>	<u>-</u>
Net cash from / (used in) financing activities	<u>73,899.00</u>	<u>(4,206.00)</u>

- c) A firm of chartered accountants other than Lesmond Lee & Co, had audited the comparative figures.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENDITURE FOR THE FINANCIAL YEAR ENDED
30 JUNE 2012

	2012 RM	2011 RM
BALANCE BROUGHT FORWARD	889,828.29	751,849.92
ADMINISTRATIVE EXPENSES (Cont'd)		
Staff amenities & welfare	10,580.80	169.00
Staff refreshment	12,910.54	12,034.00
Subscription fees	690.00	740.00
Telephone & fax charges	14,537.44	11,449.00
Upkeep of air-conditioner	3,280.00	-
Upkeep of computer	2,291.80	-
Upkeep of office	6,919.34	2,536.00
Upkeep of office equipment	1,792.00	12,641.00
Water & electricity	13,022.54	6,786.00
	66,024.46	46,355.00
OTHER OPERATING EXPENSES		
Bad debts written off	21,436.00	15,180.00
Bank charges	450.00	617.00
Compound	2,946.71	-
Condolences	500.00	-
Entertainment	-	2,233.00
Gift & donation	5,975.70	5,682.00
Medical fees	1,444.80	1,585.00
Stamp duty	86.00	500.00
Sundry expenses	5,870.29	6,853.00
	38,709.50	32,650.00
FINANCE COSTS		
Hire purchase interest	3,206.57	1,581.00
Term loan interest	19,485.36	-
	22,691.93	1,581.00
TOTAL OPERATING EXPENDITURE	1,017,254.18	832,435.92

This schedule does not form part of the financial statements

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013**

Annual Report and Financial Statements

LESMOND LEE & CO.

(Firm No. AF 1559)

Chartered Accountants (M)

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

30 JUNE 2013

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Income Statement	9
Statement of Changes in Equity	10
Cash Flow Statement and its Notes	11 - 12
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Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial year ended 30 June 2013.

PRINCIPAL ACTIVITIES

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

The results of the operations of the Company are shown in the accompanying income statement summarised as below :

	2013 RM
Profit before tax	1,515,730.96
Income tax expense	<u>(72,096.84)</u>
Profit for the financial year	<u>1,443,634.12</u>

DIVIDENDS

No dividends have been paid or declared by the Company since the end of previous financial year. The directors do not propose the payment of any dividend in respect of current financial year.

MOVEMENT ON RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year, other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares of any classes nor debentures during the financial year.

OPTIONS

No options have been granted during the financial year ended covered by the income statement to take up unissued shares or debentures of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in the notes to the financial statements) 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, other than those stated in note 18 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of acquisition of shares or debentures of the Company or any other body corporate.

Company No : 765554 - W

DIRECTORS

The directors who held office since the date of last report and at the date of this report are :

Ooi Chin Keat
Tam Chen Kien

DIRECTORS AND THEIR SHAREHOLDINGS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2013 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows :

Name of Directors	Number of Ordinary Shares of RM1.00 each in the Company Shareholdings in the name of the director			
	As at 01/07/2012	Bought	Sold	As at 30/06/2013
OOI CHIN KEAT	16,500	-	-	16,500
TAM CHEN KIEN	13,500	-	-	13,500

Other than as disclosed above, no other directors who were in office at the end of the financial year, had any interest in shares of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

a) BAD AND DOUBTFUL DEBTS

Before the financial statements were made out, the directors took reasonable steps to ascertain the action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

b) CURRENT ASSETS

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

c) 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 Company misleading or inappropriate.

OTHER STATUTORY INFORMATION (Cont'd)

d) CONTINGENT AND OTHER LIABILITIES

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

- i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons, or
- ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Company to meet its obligations when they fall due.

e) 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 which would render any amounts stated in the financial statements misleading.

f) ITEMS OF UNUSUAL NATURE

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

g) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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 result of the operations of the Company for the financial year in which this report is made.

Company No : 765554 - W

AUDITORS

The retiring auditors, Messrs. LESMOND LEE & CO., have indicated their willingness to be re-appointed in accordance with section 172(2) of the Companies Act, 1965.

Signed in accordance with a resolution of the Directors



OOI CHIN KEAT
Director

Kuala Lumpur

Dated : 12 DEC 2013



TAM CHEN KIEN
Director

Company No : 765554 - W

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

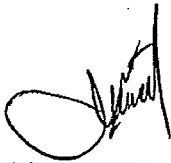
We, the undersigned, being the two of the Directors of

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia),

do hereby state that, in the opinion of the directors, the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are drawn up in accordance with the provision of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and of the results of their operations and changes in cash flow position of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors



IOI CHIN KEAT
Director

Kuala Lumpur

Dated: 12 DEC 2013



TAM CHEN KIEN
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, TAM CHEN KIEN,
(I/C No.: 770525-01-6509)

the director primarily responsible for the accounting records and financial management of

CK GRAPHIC SDN. BHD.

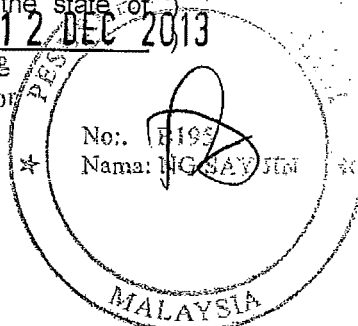
(Incorporated in Malaysia),

do solemnly and sincerely declare that the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
above-named at Kuala Lumpur in the state of
Federal Territory on this day, 12 DEC 2013

before me,

Puchong
Selangor



TAM CHEN KIEN

Commissioner for Oaths

No. G-2-45, IOI Boulevard
Jalan Kenari 8
Bandar Puchong Jaya
47170 Puchong, Selangor

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CK GRAPHIC SDN. BHD., which comprise the balance sheet as at 30 June 2013, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 23.

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

Auditors' Responsibility

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 30 June 2013 and of its financial performance and cash flows for the financial year then ended in accordance with applicable Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.



Company No : 765554 - W

LESMOND LEE & CO. (Firm No. AF 1559)
Chartered Accountants (M)

(Auditors' report... cont'd...)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

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

Other Matters

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

LESMOND LEE & CO.

No. AF 1559

CHARTERED ACCOUNTANTS (M)

Kuala Lumpur, Malaysia

Dated : 12 December 2013

KL Office :
No. 8-3A, Jalan Pandan 3/2,
Pandan Jaya, 55100 Kuala Lumpur.
Tel : 03- 9200 3282
(Hunting Line)
: 03- 9200 3160
(Direct Line)
Fax : 03- 9200 8286
E-mail : lesmond_kl@hotmail.com

Puchong Branch :
21-1 (Suite A), Jalan Puteri 1/4,
Bandar Puteri, 47100 Puchong,
Selangor Darul Ehsan.
Tel : 03- 8068 5996
Fax : 03- 8068 5987
Email : lesmond_puchong@hotmail.com

LEE KENG MING

No. 2356/03/14(J)

PARTNER OF THE FIRM



CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

BALANCE SHEET AS AT 30 JUNE 2013

	Note	2013 RM	2012 RM
NON CURRENT ASSETS			
Property, plant & equipment	5	1,329,610.69	986,413.76
CURRENT ASSETS			
Trade receivables	6	860,480.95	359,994.00
Sundry receivables, deposits & prepayment	7	119,452.41	60,375.75
Amount owing by directors	8	241,078.20	22,020.68
Amount owing by related party	9	200,000.00	-
Tax refundable		18,434.60	16,126.40
Cash & bank balances		645,452.23	442,404.09
		<u>2,084,898.39</u>	<u>900,920.92</u>
CURRENT LIABILITIES			
Sundry payables & accruals	10	627,986.74	534,019.82
Amount owing to directors	8	-	49,000.00
Hire purchase payables	11	22,410.47	20,670.59
Term loan	12	13,941.79	13,379.79
		<u>664,339.00</u>	<u>617,070.20</u>
NET CURRENT ASSETS			
		<u>1,420,559.39</u>	<u>283,850.72</u>
		<u>2,750,170.08</u>	<u>1,270,264.48</u>
FINANCED BY,			
Share capital	13	30,000.00	30,000.00
Retained profits		<u>2,115,314.56</u>	<u>671,680.44</u>
SHAREHOLDERS' EQUITY			
		<u>2,145,314.56</u>	<u>701,680.44</u>
NON CURRENT LIABILITIES			
Deferred tax liabilities	14	99,452.87	27,356.03
Hire purchase payables	11	102,265.36	124,675.83
Term loan	12	403,137.29	416,552.18
		<u>604,855.52</u>	<u>568,584.04</u>
		<u>2,750,170.08</u>	<u>1,270,264.48</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

	Note	2013 RM	2012 RM
Revenue		3,384,888.49	2,079,476.50
Direct costs		<u>(251,945.59)</u>	<u>(541,222.52)</u>
Gross profit		3,132,942.90	1,538,253.98
Other operating income		3,942.75	2,018.25
Distribution costs		(65,302.64)	(78,336.93)
Administrative expenses		(1,494,781.18)	(877,601.82)
Other operating expenses		<u>(32,174.91)</u>	<u>(38,623.50)</u>
Profit from operations	15	1,544,626.92	545,709.98
Finance costs	16	<u>(28,895.96)</u>	<u>(22,691.93)</u>
Profit before tax		1,515,730.96	523,018.05
Income tax expense	17	<u>(72,096.84)</u>	<u>(25,268.03)</u>
Profit for the financial year		<u>1,443,634.12</u>	<u>497,750.02</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

	Share Capital RM	Retained Profits RM	Total RM
Balance at 01 July 2011	30,000.00	173,930.42	203,930.42
<i>Changes :</i>			
Profit for the financial year	-	497,750.02	497,750.02
Balance at 30 June 2012	30,000.00	671,680.44	701,680.44
<i>Changes :</i>			
Profit for the financial year	-	1,443,634.12	1,443,634.12
Balance at 30 June 2013	30,000.00	2,115,314.56	2,145,314.56

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

CASH FLOWS FROM : -	2013 RM	2012 RM
a) <u>OPERATING ACTIVITIES :</u>		
Profit before tax	1,515,730.96	523,018.05
Adjustment for :		
Depreciation of property, plant & equipment	132,727.82	79,136.98
Interest expense	28,895.96	22,691.93
Operating profit before working capital changes	1,677,354.74	624,846.96
(Increase) / Decrease in receivables	(559,563.61)	15,358.69
(Increase) in amount owing by directors	(219,057.52)	(22,020.68)
(Increase) in amount owing by related party	(200,000.00)	-
Increase in payables	93,966.92	351,696.96
(Decrease) in amount owing to directors	(49,000.00)	(344,216.32)
Cash generated from operations	743,700.53	625,665.61
Income taxes refunded	16,380.10	4,000.00
Income taxes paid	(18,688.30)	(55,660.40)
Interest paid	(28,895.96)	(22,691.93)
Net cash from operating activities	712,496.37	551,313.28
b) <u>INVESTING ACTIVITY :</u>		
Purchase of property, plant & equipment	(475,924.75)	(298,110.04)
Net cash (used in) investing activity	(475,924.75)	(298,110.04)
c) <u>FINANCING ACTIVITIES :</u>		
(Repayment) of term loan	(12,852.89)	(10,068.03)
(Repayment) of hire purchase payables	(20,670.59)	(8,247.43)
Net cash (used in) financing activities	(33,523.48)	(18,315.46)
Increase in Cash & Cash Equivalents	203,048.14	234,887.78
Cash & Cash Equivalents		
At Beginning of Financial Year	442,404.09	207,516.31
Cash & Cash Equivalents		
At End of Financial Year	645,452.23	442,404.09

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

NOTES TO CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

1. Property, plant & Equipment

During the financial year, the Company had acquired property, plant & equipment at an aggregate value of RM475,924.75 (2012: RM863,110.04) which was financed by means of the followings :-

	2013 RM	2012 RM
Term loan	-	440,000.00
Hire purchase	-	125,000.00
Cash payment	475,924.75	298,110.04
	<u>475,924.75</u>	<u>863,110.04</u>

2. Cash and Cash Equivalents

Cash and cash equivalents of the Company consists of cash in hand and at bank only. Cash and cash equivalents included in the Cash Flow Statement comprise of the following balance sheet amounts :

	2013 RM	2012 RM
Cash in hand	1,268.06	1,517.86
Cash at bank	644,184.17	440,886.23
	<u>645,452.23</u>	<u>442,404.09</u>

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

1. CORPORATE INFORMATION

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

The Company is a private limited company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12A-3 Jalan PJU 8/5C, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.

The principal place of business of the Company is located at B-3-03, Neo Damansara, No. 1 Jalan PJU 8/1, Bandar Damansara Perdana, 47820 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 on the same date as the directors' report.

2. BASIC OF PREPARATION OF THE FINANCIAL STATEMENTS

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

These financial statements are presented in Ringgit Malaysia (RM).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia "PERS" requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b) Property, Plant & Equipment - Depreciation

All items of property, plant & equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (if any).

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Property, Plant & Equipment - Depreciation (cont'd)

	Rate
Shoplot	2%
Furniture & fittings	10%
Office equipment	20%
Computer	20%
Books	10%
Renovation	10%
Motor vehicles	20%
Air-conditioners	20%
Handphone	20%

An item of property, plant and equipment is derecognised upon disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

c) Income Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

d) Related Party

Party is considered to be related if one party has the ability to control the other party or exercise influence over the other party, to the extent that it prevents the other party from pursuing its own separate interests in making financial and operating decisions.

e) Impairment of assets

The carrying amounts of the Company's non-current assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying amounts 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 flow. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the assets 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.

3. **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

f) **Revenue and Income Recognition**

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

Revenue from rendering of services is measured by reference of the stage of completion of the transaction at the balance sheet date.

g) **Assets Acquired Under Hire-Purchase and Lease Agreement**

Assets financed by hire-purchase and lease arrangement which transfer substantially all the risks and rewards of ownership to the Company are capitalised as plant and equipment and the corresponding obligations are treated as liabilities. The plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

h) **Foreign Currencies**

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the balance sheet date, foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in income statements.

i) **Financial 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 instruments classified as liability are reported as 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 set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) **Receivables**

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) **Payables**

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

(iii) **Financial assets**

The Company's principal financial assets are cash and bank balances, and trade and other receivables, amount owing by director & related party. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

i) Financial Instruments (Cont'd)

(iv) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Financial liabilities include other payables, and term loan which are stated at their nominal values.

Term loan and bank borrowings are recorded at the proceeds received, and the associated finance costs are accounted for on an accrual basis.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

j) Employee Benefits

i) Short term benefits

Wages, salaries, paid leave and sick leave, bonus and non-monetary benefits are recognised and accrued in the financial year in which associated services are rendered by employees of the Company.

ii) Defined contribution plan

As required by law, Companies in Malaysia make contributions to the national pension scheme, the Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Critical Judgements Made in Applying the Company's Accounting Policies

There is no critical judgement made by management in the process of applying the Company's accounting policies that have the most significant effect on the amount recognised in these financial statements.

b) Key Sources of Estimation Uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3 b). These are common life expectancies applied in the industry. Changes in expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Provisions

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

b) Key Sources of Estimation Uncertainty (Cont'd)

(iii) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. These were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

5. PROPERTY, PLANT & EQUIPMENT

Cost	Beginning of the financial year RM	Addition/Charge for the financial year RM	Disposals RM	End of the financial year RM
2013				
Shoplot	574,590.34	-	-	574,590.34
Furniture & fittings	38,961.00	26,705.20	-	65,666.20
Office equipment	32,752.00	17,057.25	-	49,809.25
Computer	252,158.00	360,201.00	-	612,359.00
Books	5,060.00	-	-	5,060.00
Renovation	34,556.00	56,641.30	-	91,197.30
Motor vehicles	198,798.26	-	-	198,798.26
Air-conditioners	12,669.00	15,320.00	-	27,989.00
	<u>1,149,544.60</u>	<u>475,924.75</u>	<u>-</u>	<u>1,625,469.35</u>
2012	<u>286,434.56</u>	<u>863,110.04</u>	<u>-</u>	<u>1,149,544.60</u>
Accumulated depreciation				
2013				
Shoplot	11,491.81	11,491.81	-	22,983.62
Furniture & fittings	4,625.90	5,188.22	-	9,814.12
Office equipment	14,461.66	7,224.80	-	21,686.46
Computer	97,391.24	58,151.37	-	155,542.61
Books	2,572.16	506.00	-	3,078.16
Renovation	3,512.07	6,595.50	-	10,107.57
Motor vehicles	26,521.10	39,759.65	-	66,280.75
Air-conditioners	2,554.90	3,810.47	-	6,365.37
	<u>163,130.84</u>	<u>132,727.82</u>	<u>-</u>	<u>295,858.66</u>
2012	<u>83,993.86</u>	<u>79,136.98</u>	<u>-</u>	<u>163,130.84</u>

5. PROPERTY, PLANT & EQUIPMENT (Cont'd)

<i>Carrying amounts</i>	2013 RM	2012 RM
Shoplot	551,606.72	563,098.53
Furniture & fittings	55,852.08	34,335.10
Office equipment	28,122.79	18,290.34
Computer	456,816.39	154,766.76
Books	1,981.84	2,487.84
Renovation	81,089.73	31,043.93
Motor vehicles	132,517.51	172,277.16
Air-conditioners	21,623.63	10,114.10
	<u>1,329,610.69</u>	<u>986,413.76</u>

- a) Motor vehicles with carrying amount of RM132,517.51 (2012: RM172,277.16) were acquired under the hire purchase installment plan.
- b) The carrying amount of motor vehicles amounting to RM111,791.02 (2012: RM141,601.96) are registered in the name of a director.
- c) Included in property, plant & equipment of the Company are fully depreciated property, plant & equipment are still in use, costing RM44,178.00 (2012: RM19,550.00).
- d) The above shoplot of the Company has been pledged to bank for banking facilities granted to the Company.

6. TRADE RECEIVABLES

The Company's normal trade credit term ranges from 30 to 90 (2012: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

7. SUNDRY RECEIVABLES, DEPOSITS & PREPAYMENT

	2013 RM	2012 RM
Sundry receivable	24,830.60	24,382.15
Deposits	72,652.81	35,993.60
Prepayment	21,969.00	-
	<u>119,452.41</u>	<u>60,375.75</u>

8. AMOUNT OWING BY / (TO) DIRECTORS

These amounts are unsecured, interest-free and have no fixed term of repayment.

9. AMOUNT OWING BY RELATED PARTY

This amount are unsecured, interest-free and has no fixed term of repayment.

10. SUNDRY PAYABLES & ACCRUALS

	2013 RM	2012 RM
Sundry payables	289,648.68	60,312.68
Accruals	338,338.06	473,707.14
	<u>627,986.74</u>	<u>534,019.82</u>

11. HIRE PURCHASE PAYABLES

	2013 RM	2012 RM
Total amount repayable	148,092.50	178,236.50
Interest in suspense	(23,416.67)	(32,890.08)
Total principal repayable	124,675.83	145,346.42
Less : Repayable within next 12 months (shown under current liabilities)	22,410.47	20,670.59
Non-current portion	<u>102,265.36</u>	<u>124,675.83</u>
The non-current portion is repayable as follows:		
- later than one year and not later than five years	84,125.89	85,879.69
- later than five years	18,139.47	38,796.14
	<u>102,265.36</u>	<u>124,675.83</u>

The hire purchase bore effective interest rates at the balance sheet date ranging between 5.76% to 5.88% (2012: 5.76% to 5.88%) per annum.

12. TERM LOAN

	2013 RM	2012 RM
Repayable within next 12 months	13,941.79	13,379.79
Repayable after next 12 months	403,137.29	416,552.18
	<u>417,079.08</u>	<u>429,931.97</u>

The above term loan facility of the Company is secured by:

- A facility agreement for the sum of RM440,000.00.
- Subsidiary instrument.
- Joint and several guarantees by a third party and the two directors of the Company.

The term loan is repayable by 240 monthly installment of RM2,760.00 each. The loan bears interest rate at 1.90% per annum below the Bank's Base Lending Rate with monthly rests basis.

13. SHARE CAPITAL

	2013 RM	2012 RM
Authorised 100,000 ordinary shares of RM1.00 each Balance at 30 June	<u>100,000.00</u>	<u>100,000.00</u>
Issued and fully paid 30,000 ordinary shares of RM1.00 each Balance at 30 June	<u>30,000.00</u>	<u>30,000.00</u>

14. DEFERRED TAX LIABILITIES

	2013 RM	2012 RM
Balance at 01 July	27,356.03	16,157.00
Deferred tax relating to recognition and reversal of temporary differences	72,096.84	24,773.97
(Over) provision of deferred tax liabilities in previous financial year	-	(13,574.94)
Balance at 30 June	<u>99,452.87</u>	<u>27,356.03</u>

15. PROFIT FROM OPERATIONS

The profit from operations is arrived at :

After charging :

Audit fee	5,000.00	2,500.00
Bad debts written off	-	21,436.00
Depreciation of property, plant & equipment	132,727.82	79,136.98
Directors' remuneration		
- (over) provision in previous year	-	(120,000.00)
- other emoluments	292,000.00	224,000.00
Rental of premises	145,070.40	117,270.40
Staff costs (Note 19)	1,192,451.52	601,059.33
<i>And crediting :</i>		
Bad debts recovered	3,500.00	-
Realised gain on foreign exchange	442.75	-
Refund from exhibition	-	2,018.25

16. FINANCE COSTS

	2013 RM	2012 RM
Hire purchase interest	9,473.41	3,206.57
Term loan interest	<u>19,422.55</u>	<u>19,485.36</u>
	<u>28,895.96</u>	<u>22,691.93</u>

7. INCOME TAX EXPENSE	2013 RM	2012 RM
Current financial year provision	-	403.60
Under provision of income tax expense in previous financial year	-	13,665.40
Deferred tax relating to recognition and reversal of temporary differences	72,096.84	24,773.97
financial year	<u>-</u>	<u>(13,574.94)</u>
Income tax expense for the financial year	<u>72,096.84</u>	<u>25,268.03</u>

On 12 November 2010, the Government of Malaysia has awarded Multimedia Super Corridor status (MSC) to the Company. This MSC Malaysia status exempts the Company 100% on statutory business income up to ten years and entitles to the incentive right and privileges provided for under the Bill of Guarantees subject to the Company's continued adherence to the aforementioned criteria.

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

	2013 RM	2012 RM
Profit before tax	<u>1,515,730.96</u>	<u>523,018.05</u>
Income tax expense at Malaysian statutory rate of 20% (2012: 20%)	303,146.19	104,603.61
Expenses not deductible for tax purposes	(1,631.75)	6,259.82
Under provision of income tax expense in previous financial year	-	13,665.40
Tax incentives	<u>(229,417.60)</u>	<u>(99,260.80)</u>
Income tax expense for the financial year	<u>72,096.84</u>	<u>25,268.03</u>

18. SIGNIFICANT RELATED PARTY TRANSACTIONS	2013 RM	2012 RM
Sub-contractors wages	<u>1,000.00</u>	<u>-</u>

In the opinion of the directors, the above transactions entered into with the related parties are in the ordinary course of business on terms established by arm's length negotiations.

19 EMPLOYEES	2013	2012
The number of employees of the Company at the end of the financial year	<u>24</u>	<u>9</u>
	RM	RM
EPF & Socso contribution	134,181.25	79,115.00
Salaries, bonus & allowance	1,035,010.04	497,008.19
Others	<u>23,260.23</u>	<u>24,936.14</u>
	<u>1,192,451.52</u>	<u>601,059.33</u>

Included in staff costs of the Company are executive director's salary and other emoluments and director's fee amounting to RM292,000.00 (2012: RM104,000.00).

0. FOREIGN EXCHANGE RATES

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	2013 RM	2012 RM
US Dollar	<u>3.16</u>	<u>3.18</u>

1. RETAINED PROFITS

Under the single-tier system which came into effect from the year of assessment 2008, the Company is not required to have tax credit under Section 108 of the Income Tax Act, 1967 for dividend payment purposes. Dividends paid under the single-tier system are tax exempt in the hands of the shareholders.

2. FINANCIAL INSTRUMENTS.

a) Financial Risk Management Objective and Policies

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 interest rate, market, credit, liquidity and cash flow risks.

The policies in respect of the major areas of treasury activities are as follows:

i) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowing. The interest rates of the Company's borrowings are disclosed in Note 12 to the financial statements.

ii) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers on a regular basis. At balance sheet date, there were no significant concentrations of credit risk in the Company.

iii) Liquidity and cash flow risks

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

iv) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-Company where the currency denomination differs from the local currency, Ringgit Malaysia (RM).

2. FINANCIAL INSTRUMENTS (Cont'd)

) Fair Values

The methods and assumptions used to estimate the fair values of cash and cash equivalents and trade and other receivables/payables are at carrying amounts due to the relatively short term maturity of these financial instruments, except as follows:

i) Amount owing by directors & related party

It is not practical to estimate the fair value of the amount owing by directors & related party due principally to a lack of fixed repayment terms entered by the party involved and without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the carrying values that would eventually be settled.

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

	2013 RM	2012 RM
SALES	3,384,888.49	2,079,476.50
LESS: DIRECT COSTS		
Sub-contractors wages	<u>(251,945.59)</u>	<u>(541,222.52)</u>
	3,132,942.90	1,538,253.98
ADD: OTHER INCOME		
Bad debts recovered	3,500.00	-
Realised gain on foreign exchange	442.75	-
Refund from exhibition	-	2,018.25
	<u>3,942.75</u>	<u>2,018.25</u>
GROSS PROFIT	3,136,885.65	1,540,272.23
LESS: OPERATING EXPENDITURE		
(as per schedule)	<u>(1,621,154.69)</u>	<u>(1,017,254.18)</u>
PROFIT BEFORE TAX	<u>1,515,730.96</u>	<u>523,018.05</u>

This schedule does not form part of the financial statements

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENDITURE FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

	2013 RM	2012 RM
DISTRIBUTION COSTS		
Advertisement	9,635.78	5,697.50
Exhibition fees	1,446.00	1,000.00
Petrol, parking & toll	22,701.85	22,323.08
Road tax & insurance	7,772.25	5,672.60
Transportation	-	2,926.61
Travelling & accomodation	18,888.92	37,913.14
Upkeep of motor vehicles	4,857.84	2,804.00
	65,302.64	78,336.93
ADMINISTRATIVE EXPENSES		
Accounting fee	6,300.00	400.00
Administration fee	100.00	-
Ang pow	-	500.00
Audit fee	5,000.00	2,500.00
Cleaning fee	2,040.00	6,140.00
Commission	(119,834.63)	3,000.00
Consultancy fee	15,000.00	5,000.00
Courier, stamp & postage	2,455.63	3,583.93
Depreciation of property, plant & equipment	132,727.82	79,136.98
Directors' remuneration		
- current year	292,000.00	224,000.00
- (over) provision in previous year	-	(120,000.00)
EPF & Socso	134,181.25	79,115.00
Insurance	1,149.42	793.45
Legal fee	22,600.00	-
Licence fee	1,150.00	-
Newspaper & periodicals	303.40	981.70
Printing & stationery	11,922.50	9,613.48
Professional fees	1,920.00	940.00
Quit rent & assessment	780.64	516.30
Rental of premises	145,070.40	117,270.40
Salaries, wages, allowances & bonus	743,010.04	393,008.19
Secretarial, filing fee & disbursements	1,352.00	1,270.00
Seminar & training fee	5,751.16	1,773.01
Service charges	5,666.71	1,948.92
	1,410,646.34	811,491.36
BALANCE CARRIED FORWARD	1,475,948.98	889,828.29

This schedule does not form part of the financial statements

Company No : 765554 - W

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENDITURE FOR THE FINANCIAL YEAR ENDED
30 JUNE 2013

	2013 RM	2012 RM
BALANCE BROUGHT FORWARD	1,475,948.98	889,828.29
ADMINISTRATIVE EXPENSES (Cont'd)		
Staff amenities & welfare	2,195.10	10,580.80
Staff refreshment	19,382.33	12,910.54
Stamp duty	920.00	86.00
Subscription fees	440.00	690.00
Telephone & fax charges	19,888.89	14,537.44
Upkeep of air-conditioner	150.00	3,280.00
Upkeep of computer	2,063.60	2,291.80
Upkeep of office	8,098.80	6,919.34
Upkeep of office equipment	707.90	1,792.00
Water & electricity	30,288.22	13,022.54
	84,134.84	66,110.46
OTHER OPERATING EXPENSES		
Bad debts written off	-	21,436.00
Bank charges	655.00	450.00
Compound	6,217.85	2,946.71
Condolences	-	500.00
Gift & donation	17,799.80	5,975.70
Medical fees	1,682.80	1,444.80
Sundry expenses	5,819.46	5,870.29
	32,174.91	38,623.50
FINANCE COSTS		
Hire purchase interest	9,473.41	3,206.57
Term loan interest	19,422.55	19,485.36
	28,895.96	22,691.93
TOTAL	1,621,154.69	1,017,254.18

This schedule does not form part of the financial statements

(Company No:- 765554 - W)

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

LESMOND LEE & CO.
(Firm No. AF 1559)
Chartered Accountants (Malaysia)

Company No : 765554 - W

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

30 JUNE 2014

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CK GRAPHIC SDN. BHD.

(Incorporated In Malaysia)

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITY

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

FINANCIAL RESULTS

The results of the operations of the Company are shown in the accompanying income statement summarised as below :

	2014 RM
Profit before tax	3,041,844.09
Income tax expense	<u>43,315.60</u>
Profit for the financial year	<u>3,085,159.69</u>

DIVIDENDS

On 05 December 2013, the Company paid a 1400% single tier dividend (total dividend of RM420,000.00) in respect of the previous financial year. The net dividend per share was RM14.00.

On 16 December 2013, the Company paid a 666.67% single tier dividend (total dividend of RM200,000.00) in respect of the previous financial year. The net dividend per share was RM6.67.

MOVEMENT ON RESERVES AND PROVISIONS

There were no material transfers to and from reserves and provisions during the financial year, other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any shares of any classes nor debentures during the financial year.

OPTIONS

No options have been granted during the financial year ended covered by the income statement to take up unissued shares or debentures of the Company.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the directors' remuneration as disclosed in the notes to the financial statements) 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, other than those stated in note 21 to the financial statements.

DIRECTORS' BENEFITS (cont'd)

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, with the object or objects of enabling directors of the Company to acquire benefits by means of acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS

The directors who held office since the date of last report and at the date of this report are :

Ooi Chin Keat
Tam Chen Kien

DIRECTORS AND THEIR SHAREHOLDINGS

The directors holding office at the end of the financial year and their beneficial interests in the ordinary shares of the Company and its related corporations during the financial year ended 30 June 2014 as recorded in the Register of Directors' Shareholdings kept by the Company under Section 134 of the Companies Act, 1965 were as follows :

Name of Directors	Number of Ordinary Shares of RM1.00 each in the Company Shareholdings in the name of the director			
	As at 01/07/2013	Bought	Sold	As at 30/06/2014
OOI CHIN KEAT	16,500	-	-	16,500
TAM CHEN KIEN	13,500	-	-	13,500

Other than as disclosed above, no other directors who were in office at the end of the financial year, had any interest in shares of the Company and its related corporations during the financial year.

OTHER STATUTORY INFORMATION

a) BAD AND DOUBTFUL DEBTS

Before the financial statements were made out, the directors took reasonable steps to ascertain the action had been taken in relation to the writing off of bad debts and the making of provisions for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

As at the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

b) CURRENT ASSETS

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

c) 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 Company misleading or inappropriate.

d) CONTINGENT AND OTHER LIABILITIES

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

- i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other persons, or
- ii) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability 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 affect the ability of the Company to meet its obligations when they fall due.

e) 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 which would render any amounts stated in the financial statements misleading.

f) ITEMS OF UNUSUAL NATURE

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

g) EVENTS SUBSEQUENT TO BALANCE SHEET DATE

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 result of the operations of the Company for the financial year in which this report is made.

Events subsequent to balance sheet date are disclosed in Note 25 to the financial statements.

Company No : 765554 - W

AUDITORS

The retiring auditors, Messrs. LESMOND LEE & CO., have indicated their willingness to be re-appointed in accordance with section 172(2) of the Companies Act, 1965.

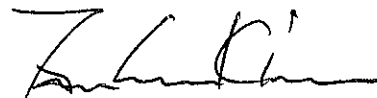
Signed in accordance with a resolution of the Directors



OOI CHIN KEAT
Director

Selangor

Dated : 17 NOV 2014



TAM CHEN KIEN
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 169 (15) OF THE COMPANIES ACT, 1965

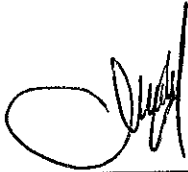
We, the undersigned, being the two of the Directors of

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia),

do hereby state that, in the opinion of the directors, the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are drawn up in accordance with the provision of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia so as to give a true and fair view of the state of affairs of the Company as at 30 June 2014 and of the results of their operations and changes in cash flow position of the Company for the financial year ended on that date.

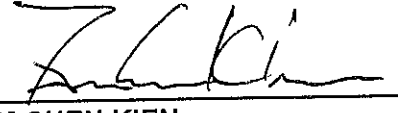
Signed in accordance with a resolution of the Directors



OOI CHIN KEAT
Director

Selangor

Dated : 17 NOV 2014



TAM CHEN KIEN
Director

STATUTORY DECLARATION

PURSUANT TO SECTION 169 (16) OF THE COMPANIES ACT, 1965

I, TAM CHEN KIEN,
(I/C No.: 770525-01-6509)

the director primarily responsible for the accounting records and financial management of

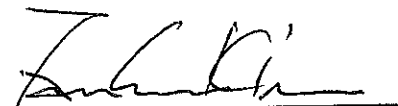
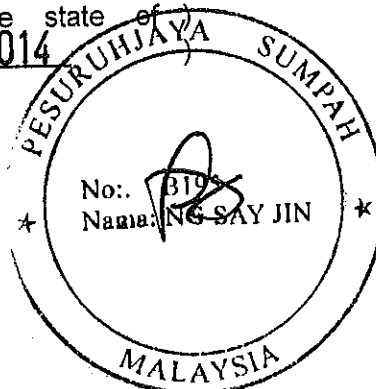
CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia),

do solemnly and sincerely declare that the accompanying Balance Sheet, Income Statement, Statement of Changes in Equity together with the notes thereto and the Cash Flow Statement are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the)
abovenamed at Puchong in the state of)
Selangor on this day, 17 NOV 2014

Before me,



TAM CHEN KIEN

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of CK GRAPHIC SDN. BHD., which comprise the balance sheet as at 30 June 2014, and the income statement, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 24.

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

Auditors' Responsibility

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

Opinion

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



(Auditors' report... cont'd...)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

CK GRAPHIC SDN. BHD.

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

Other Matters

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

LESMOND LEE & CO.
No. AF 1559
CHARTERED ACCOUNTANTS (M)

Selangor, Malaysia

Dated : 17 November 2014

LEE KENG MING
No. 2356/03/16(J)
PARTNER OF THE FIRM



CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

BALANCE SHEET AS AT 30 JUNE 2014

	Note	2014 RM	2013 RM
NON CURRENT ASSETS			
Property, plant & equipment	5	1,425,965.89	1,329,610.69
Subsidiary	6	200,000.00	-
		1,625,965.89	1,329,610.69
CURRENT ASSETS			
Trade receivables	7	2,418,916.20	860,480.95
Sundry receivables, deposits & prepayment	8	234,441.94	119,452.41
Amount owing by directors	9	-	241,078.20
Amount owing by related party	10	-	200,000.00
Amount owing by subsidiary	11	303,573.92	-
Tax refundable		21,471.56	18,434.60
Cash & bank balances		1,020,439.23	645,452.23
		3,998,842.85	2,084,898.39
CURRENT LIABILITIES			
Sundry payables & accruals	12	95,235.92	627,986.74
Hire purchase payables	13	157,968.50	22,410.47
Term loan	14	13,233.41	13,941.79
		266,437.83	664,339.00
NET CURRENT ASSETS		3,732,405.02	1,420,559.39
		5,358,370.91	2,750,170.08
FINANCED BY,			
Share capital	15	30,000.00	30,000.00
Retained profits		4,580,474.25	2,115,314.56
SHAREHOLDERS' EQUITY		4,610,474.25	2,145,314.56
NON CURRENT LIABILITIES			
Deferred tax liabilities	16	56,068.47	99,452.87
Hire purchase payables	13	302,101.87	102,265.36
Term loan	14	389,726.32	403,137.29
		5,358,370.91	2,750,170.08

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CK GRAPHIC SDN. BHD.
(Incorporated In Malaysia)

INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

	Note	2014 RM	2013 RM
Revenue		5,754,833.00	3,384,888.49
Direct costs		<u>(281,362.19)</u>	<u>(251,945.59)</u>
Gross profit		5,473,470.81	3,132,942.90
Other operating income		343.62	3,942.75
Distribution costs		(123,057.56)	(65,302.64)
Administrative expenses		(2,214,015.71)	(1,494,781.18)
Other operating expenses		<u>(41,873.44)</u>	<u>(32,174.91)</u>
Profit from operations	17	3,094,867.72	1,544,626.92
Finance costs	18	<u>(53,023.63)</u>	<u>(28,895.96)</u>
Profit before tax		3,041,844.09	1,515,730.96
Income tax expense	19	<u>43,315.60</u>	<u>(72,096.84)</u>
Profit for the financial year		<u>3,085,159.69</u>	<u>1,443,634.12</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

	Note	Share Capital RM	Retained Profits RM	Total RM
Balance at 01 July 2012		30,000.00	671,680.44	701,680.44
<u>Changes :</u>				
Profit for the financial year		-	1,443,634.12	1,443,634.12
Balance at 30 June 2013		30,000.00	2,115,314.56	2,145,314.56
<u>Changes :</u>				
Profit for the financial year		-	3,085,159.69	3,085,159.69
Dividends	20	-	(620,000.00)	(620,000.00)
Balance at 30 June 2014		30,000.00	4,580,474.25	4,610,474.25

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

CASH FLOWS FROM : -	2014 RM	2013 RM
a) <u>OPERATING ACTIVITIES :</u>		
Profit before tax	3,041,844.09	1,515,730.96
Adjustment for :		
Depreciation of property, plant & equipment	251,579.23	132,727.82
Interest expense	<u>53,023.63</u>	<u>28,895.96</u>
Operating profit before working capital changes	3,346,446.95	1,677,354.74
(Increase) in receivables	(1,673,424.78)	(559,563.61)
Decrease / (Increase) in amount owing by directors	241,078.20	(219,057.52)
(Increase) in amount owing by related party	200,000.00	(200,000.00)
(Increase) in amount owing by subsidiary	(303,573.92)	-
(Decrease) in payables	(300,414.82)	(138,369.08)
(Decrease) in amount owing to directors	<u>-</u>	<u>(49,000.00)</u>
Cash generated from operations	1,510,111.63	511,364.53
Income taxes refunded	14,436.49	16,380.10
Income taxes paid	(17,542.25)	(18,688.30)
Interest paid	<u>(53,023.63)</u>	<u>(28,895.96)</u>
Net cash from operating activities	1,453,982.24	480,160.37
b) <u>INVESTING ACTIVITIES :</u>		
Purchase of property, plant & equipment	(111,934.43)	(243,588.75)
Acquisition of subsidiary	(200,000.00)	-
Net cash (used in) investing activity	(311,934.43)	(243,588.75)
c) <u>FINANCING ACTIVITIES :</u>		
(Repayment) of term loan	(14,119.35)	(12,852.89)
(Repayment) of hire purchase payables	(132,941.46)	(20,670.59)
Dividends paid	(620,000.00)	-
Net cash (used in) financing activities	<u>(767,060.81)</u>	<u>(33,523.48)</u>
Increase in Cash & Cash Equivalents	374,987.00	203,048.14
Cash & Cash Equivalents		
At Beginning of Financial Year	<u>645,452.23</u>	<u>442,404.09</u>
Cash & Cash Equivalents		
At End of Financial Year	<u>1,020,439.23</u>	<u>645,452.23</u>

The annexed notes form an integral part of, and should be read in conjunction with these financial statements.

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

NOTES TO CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

1. Property, plant & Equipment

During the financial year, the Company had acquired property, plant & equipment at an aggregate value of RM347,934.43 (2013: RM475,924.75) which was financed by means of the followings :-

	2014 RM	2013 RM
Sundry payable	-	232,336.00
Hire purchase	236,000.00	-
Cash payment	<u>111,934.43</u>	<u>243,588.75</u>
	<u>347,934.43</u>	<u>475,924.75</u>

2. Cash and Cash Equivalents

Cash and cash equivalents of the Company consists of cash in hand and at bank only. Cash and cash equivalents included in the Cash Flow Statement comprise of the following balance sheet amounts :

	2014 RM	2013 RM
Cash in hand	1,475.10	1,268.06
Cash at bank	<u>1,018,964.13</u>	<u>644,184.17</u>
	<u>1,020,439.23</u>	<u>645,452.23</u>

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

1. CORPORATE INFORMATION

The Company is principally a production house in 3D graphic (interior and exterior perspective) and 3D animation. There has been no significant change in the nature of this activity during the financial year.

The Company is a private limited company, incorporated and domiciled in Malaysia. The registered office of the Company is located at 12A-3 Jalan PJU 8/5C, Perdana Business Centre, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor.

The principal place of business of the Company is located at Suite 3.02A, Level 3, Menara OBYU, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 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 on the same date as the directors' report.

2. BASIC OF PREPARATION OF THE FINANCIAL STATEMENTS

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

These financial statements are presented in Ringgit Malaysia (RM).

3. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Company have been prepared under the historical cost convention and comply with the provisions of the Companies Act, 1965 and applicable Private Entity Reporting Standards in Malaysia "PERS" requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

b) Property, Plant & Equipment - Depreciation

All items of property, plant & equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial year in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses (if any).

Depreciation of property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Property, Plant & Equipment - Depreciation (cont'd)

	Rate
Shoplot	2%
Furniture & fittings	10%
Office equipment	20%
Computer	20%
Books	10%
Renovation	10%
Motor vehicles	20%
Air-conditioners	20%

An item of property, plant and equipment is derecognised upon disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in income statement.

c) Income Tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised in the income statement, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

d) Subsidiary Company

A Subsidiary Company is one of which more than 50% of its issued share capital and voting power is held by the Company and that the Company has power of exercise control over the composition and decision-making of the Board of Directors. Details of the Subsidiary Company is disclosed in Note 6.

e) Related Party

Party is considered to be related if one party has the ability to control the other party or exercise influence over the other party, to the extent that it prevents the other party from pursuing its own separate interests in making financial and operating decisions.

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

f) Impairment of assets

The carrying amounts of the Company's non-current assets are reviewed for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying amounts 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 flow. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash-generating unit.

An impairment loss is charged to the income statement immediately, unless the assets 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.

g) Revenue and Income Recognition

Revenue from sales of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and taxes applicable to the revenue.

Revenue from rendering of services is measured by reference of the stage of completion of the transaction at the balance sheet date.

h) Assets Acquired Under Hire-Purchase and Lease Agreement

Assets financed by hire-purchase and lease arrangement which transfer substantially all the risks and rewards of ownership to the Company are capitalised as plant and equipment and the corresponding obligations are treated as liabilities. The plant and equipment capitalised are depreciated on the same basis as owned assets.

Finance charges are allocated to the income statement over the period of the agreements to give a constant periodic rate of charge on the remaining hire-purchase and lease liabilities.

i) Foreign Currencies

Transactions in foreign currencies are initially translated at the exchange rate at the dates of the transactions.

At the balance sheet date, foreign currency monetary assets and liabilities are translated into Ringgit Malaysia at the exchange rate ruling at that date. Exchange differences arising on the settlement or translation of monetary items are recognised in income statements.

The applicable closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the balance sheet date are as follows:-

	2014 RM	2013 RM
US Dollar	<u>3.22</u>	<u>3.16</u>

3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

j) Financial 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 instruments classified as liability are reported as 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 set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts based on a review of all outstanding amounts as at the balance sheet date.

(ii) Payables

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

(iii) Financial assets

The Company's principal financial assets are cash and bank balances, trade and other receivables and amount owing by subsidiary. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

(iv) Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangement entered into. Financial liabilities include other payables and term loan which are stated at their nominal values.

Term loan and bank borrowings are recorded at the proceeds received, and the associated finance costs are accounted for on an accrual basis.

Equity instruments are recorded at the proceeds received, net of direct issue costs.

k) Employee Benefits

i) Short term benefits

Wages, salaries, paid leave and sick leave, bonus and non-monetary benefits are recognised and accrued in the financial year in which associated services are rendered by employees of the Company.

ii) Defined contribution plan

As required by law, Companies in Malaysia make contributions to the national pension scheme, the Employee Provident Fund (EPF). Such contributions are recognised as an expense in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

a) Critical Judgements Made in Applying the Company's Accounting Policies

There is no critical judgement made by management in the process of applying the Company's accounting policies that have the most significant effect on the amount recognised in these financial statements.

b) Key Sources of Estimation Uncertainty

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

(i) Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight line method over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3 b). These are common life expectancies applied in the industry. Changes in expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Provisions

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

(iii) Income taxes

Judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the provision for income taxes. These were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax in the period in which the outcome is known.

5. PROPERTY, PLANT & EQUIPMENT

Cost	Beginning of the financial year RM	Addition/Charge for the financial year RM	Disposals RM	End of the financial year RM
2014				
Shoplot	574,590.34	-	-	574,590.34
Furniture & fittings	65,666.20	4,561.70	-	70,227.90
Office equipment	49,809.25	5,063.72	-	54,872.97
Computer	612,359.00	167,356.00	-	779,715.00
Books	5,060.00	-	-	5,060.00
Renovation	91,197.30	-	-	91,197.30
Motor vehicles	198,798.26	170,953.01	-	369,751.27
Air-conditioners	27,989.00	-	-	27,989.00
	<u>1,625,469.35</u>	<u>347,934.43</u>	-	<u>1,973,403.78</u>
2013	<u>1,149,544.60</u>	<u>475,924.75</u>	-	<u>1,625,469.35</u>

Accumulated depreciation

2014

Shoplot	22,983.62	11,491.81	-	34,475.43
Furniture & fittings	9,814.12	6,984.77	-	16,798.89
Office equipment	21,686.46	8,604.31	-	30,290.77
Computer	155,542.61	135,324.56	-	290,867.17
Books	3,078.16	506.00	-	3,584.16
Renovation	10,107.57	9,119.73	-	19,227.30
Motor vehicles	66,280.75	73,950.25	-	140,231.00
Air-conditioners	6,365.37	5,597.80	-	11,963.17
	<u>295,858.66</u>	<u>251,579.23</u>	-	<u>547,437.89</u>
2013	<u>163,130.84</u>	<u>132,727.82</u>	-	<u>295,858.66</u>

Carrying amounts

	2014 RM	2013 RM
Shoplot	540,114.91	551,606.72
Furniture & fittings	53,429.01	55,852.08
Office equipment	24,582.20	28,122.79
Computer	488,847.83	456,816.39
Books	1,475.84	1,981.84
Renovation	71,970.00	81,089.73
Motor vehicles	229,520.27	132,517.51
Air-conditioners	16,025.83	21,623.63
	<u>1,425,965.89</u>	<u>1,329,610.69</u>

- Motor vehicles with carrying amount of RM229,520.27 (2013: RM132,517.51) were acquired under the hire purchase installment plan.
- Computer with carrying amount of RM288,442.67 (2013: RM267,938.67) were acquired under the hire purchase installment plan.
- The carrying amount of motor vehicles amounting to RM81,980.08 (2013: RM111,791.02) are registered in the name of a director who holds the asset in trust for the Company.
- Included in property, plant & equipment of the Company are fully depreciated property, plant & equipment are still in use, costing RM109,967.00 (2013: RM44,178.00).
- The above shoplot of the Company has been pledged to bank for banking facilities granted to the Company.

6. SUBSIDIARY

	2014 RM	2013 RM
Unquoted shares, at cost	<u>200,000.00</u>	<u>-</u>

6. SUBSIDIARY (cont'd)

The subsidiary company, incorporated in Malaysia, is as follows :-

<u>Name of Subsidiary</u>	<u>Equity Interest</u>		<u>Principal Activities</u>
	2014	2013	
CKG Academy Sdn Bhd (1064850 - K)	100%	-	Academy Ground for education, training & services

The results of operations and net assets of CKG Academy Sdn Bhd have not been consolidated in the financial statements of the Company as the Group is in the process of disposing this investment.

7. TRADE RECEIVABLES

The Company's normal trade credit term ranges from 30 to 90 (2013: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

8. SUNDRY RECEIVABLES, DEPOSITS & PREPAYMENT	2014 RM	2013 RM
Sundry receivables	104,707.89	24,830.60
Deposits	100,391.05	72,652.81
Prepayment	29,343.00	21,969.00
	<u>234,441.94</u>	<u>119,452.41</u>

Included in the sundry receivables of the Company is RM26,131.09 (2013: RM19,330.60) owing by companies in which certain directors of the Company have interests. The outstanding amount is unsecured, interest-free and has no fixed terms of repayments.

Included in the sundry receivables of the Company is RM5,576.80 (2013: RM5,500.00) owing by sole proprietor which a director of the Company has interest. The outstanding amount is unsecured, interest-free and has no fixed terms of repayments.

9. AMOUNT OWING BY DIRECTORS

These amounts are unsecured, interest-free and have no fixed term of repayment.

10. AMOUNT OWING BY RELATED PARTY

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

11. AMOUNT OWING BY SUBSIDIARY	2014 RM	2013 RM
Trade receivables	169,500.00	-
Sundry receivables	<u>134,073.92</u>	<u>-</u>
	<u>303,573.92</u>	<u>-</u>

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

12. SUNDRY PAYABLES & ACCRUALS	2014 RM	2013 RM
Sundry payables	57,312.68	289,648.68
Accruals	<u>37,923.24</u>	<u>338,338.06</u>
	<u>95,235.92</u>	<u>627,986.74</u>

13. HIRE PURCHASE PAYABLES	2014 RM	2013 RM
Total amount repayable	509,387.50	148,092.50
Interest in suspense	<u>(49,317.13)</u>	<u>(23,416.67)</u>
Total principal repayable	460,070.37	124,675.83
Less : Repayable within next 12 months (shown under current liabilities)	<u>157,968.50</u>	<u>22,410.47</u>
Non-current portion	<u>302,101.87</u>	<u>102,265.36</u>
The non-current portion is repayable as follows:		
- later than one year and not later than five years	302,101.87	84,125.89
- later than five years	<u>-</u>	<u>18,139.47</u>
	<u>302,101.87</u>	<u>102,265.36</u>

The hire purchase bore effective interest rates at the balance sheet date ranging between 4.20% to 7.68% (2013: 5.76% to 5.88%) per annum.

14. TERM LOAN	2014 RM	2013 RM
Repayable within next 12 months	13,233.41	13,941.79
Repayable after next 12 months	<u>389,726.32</u>	<u>403,137.29</u>
	<u>402,959.73</u>	<u>417,079.08</u>

The above term loan facility of the Company is secured by:

- a) A facility agreement for the sum of RM440,000.00.
- b) Subsidiary instrument.
- c) Joint and several guarantees by a third party and the two directors of the Company.

The term loan is repayable by 240 monthly installment of RM2,760.00 each. The loan bears interest rate at 1.90% per annum below the Bank's Base Lending Rate with monthly rests basis.

15. SHARE CAPITAL	2014 RM	2013 RM
Authorised 100,000 ordinary shares of RM1.00 each		
Balance at 30 June	<u>100,000.00</u>	<u>100,000.00</u>
Issued and fully paid 30,000 ordinary shares of RM1.00 each		
Balance at 30 June	<u>30,000.00</u>	<u>30,000.00</u>

16. DEFERRED TAX LIABILITIES	2014 RM	2013 RM
Balance at 01 July	99,452.87	27,356.03
Deferred tax relating to recognition and reversal of temporary differences	6,991.70	72,096.84
(Over) provision of deferred tax liabilities in previous financial year	<u>(50,376.10)</u>	<u>-</u>
Balance at 30 June	<u>56,068.47</u>	<u>99,452.87</u>

The components of deferred tax liabilities comprised only the tax effects of taxable temporary differences arising in respect of plant and equipment.

17. PROFIT FROM OPERATIONS	2014 RM	2013 RM
The profit from operations is arrived at :		
<i>After charging :</i>		
Audit fee	8,500.00	5,000.00
Depreciation of property, plant & equipment	251,579.23	132,727.82
Directors' remuneration		
- other emoluments	308,000.00	224,000.00
- fees	26,000.00	-
Rental of premises	198,570.40	145,070.40
Staff costs (Note 22)	<u>1,598,011.08</u>	<u>1,192,451.52</u>
<i>And crediting :</i>		
Bad debts recovered	-	3,500.00
Interest income	343.62	-
Realised gain on foreign exchange	<u>-</u>	<u>442.75</u>

18. FINANCE COSTS	2014 RM	2013 RM
Hire purchase interest	34,867.54	9,473.41
Term loan interest	<u>18,156.09</u>	<u>19,422.55</u>
	<u>53,023.63</u>	<u>28,895.96</u>

19. INCOME TAX EXPENSE	2013 RM	2012 RM
Current financial year provision	68.80	-
Deferred tax relating to recognition and reversal of temporary differences	6,991.70	72,096.84
(Over) provision of deferred tax liabilities in previous financial year	<u>(50,376.10)</u>	-
Income tax expense for the financial year	<u>(43,315.60)</u>	<u>72,096.84</u>

On 12 November 2010, the Government of Malaysia has awarded Multimedia Super Corridor status (MSC) to the Company. This MSC Malaysia status exempts the Company 100% on statutory business income up to ten years and entitles to the incentive right and privileges provided for under the Bill of Guarantees subject to the Company's continued adherence to the aforementioned criteria.

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

	2014 RM	2013 RM
Profit before tax	<u>3,041,844.09</u>	<u>1,515,730.96</u>
Income tax expense at Malaysian statutory rate of 20% (2013: 20%)	608,368.82	303,146.19
Expenses not deductible for tax purposes	(19,895.42)	(1,631.75)
Tax incentives	<u>(631,789.00)</u>	<u>(229,417.60)</u>
Income tax expense for the financial year	<u>(43,315.60)</u>	<u>72,096.84</u>

20. DIVIDENDS

On 05 December 2013, the Company paid a 1400% single tier dividend (total dividend of RM420,000.00) in respect of the previous financial year. The net dividend per share was RM14.00.

On 16 December 2013, the Company paid a 666.67% single tier dividend (total dividend of RM200,000.00) in respect of the previous financial year. The net dividend per share was RM6.67.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS	2014 RM	2013 RM
Sub-contractors wages	<u>-</u>	<u>1,000.00</u>
Sales	<u>169,500.00</u>	<u>-</u>

In the opinion of the directors, the above transactions entered into with the related parties are in the ordinary course of business on terms established by arm's length negotiations.

22. EMPLOYEES	2014	2013
The number of employees of the Company at the end of the financial year	<u>23</u>	<u>24</u>
	RM	RM
EPF & Socso contribution	161,675.70	134,181.25
Salaries, bonus & allowance	1,383,889.95	1,035,010.04
Others	<u>52,445.43</u>	<u>23,260.23</u>
	<u>1,598,011.08</u>	<u>1,192,451.52</u>

Included in staff costs of the Company are executive director's salary and other emoluments and director's fee amounting to RM334,000.00 (2013: RM292,000.00).

23. RETAINED PROFITS

The Company will be able to distribute dividends out of its entire retained earnings under the single tier tax system operating with effect from 1 January 2008.

At the balance sheet date, the Company has a balance of RM4,869,262 (2011: RM1,710,317) in the tax exempt account to declare tax exempt dividends, subject to the agreement by the Inland Revenue Board.

24. FINANCIAL INSTRUMENTS

a) Financial Risk Management Objective and Policies

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 interest rate, market, credit, liquidity and cash flow risks.

The policies in respect of the major areas of treasury activities are as follows:

i) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing borrowing. The interest rates of the Company's borrowings are disclosed in Note 14 to the financial statements.

ii) Credit risk

The credit risk is controlled by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers on a regular basis. At balance sheet date, there were no significant concentrations of credit risk in the Company.

iii) Liquidity and cash flow risks

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

24. FINANCIAL INSTRUMENTS (cont'd)

a) Financial Risk Management Objective and Policies (cont'd)

iv) Foreign currency risk

The Company is exposed to foreign currency risk as a result of its normal trading activities, both external and intra-Company where the currency denomination differs from the local currency, Ringgit Malaysia (RM).

b) Fair Values

The methods and assumptions used to estimate the fair values of cash and cash equivalents and trade and other receivables/payables are at carrying amounts due to the relatively short term maturity of these financial instruments, except as follows:

i) Amount owing by subsidiary

It is not practical to estimate the fair value of the amount owing by subsidiary due principally to a lack of fixed repayment terms entered by the party involved and without incurring excessive costs. However, the Company does not anticipate the carrying amounts recorded at the balance sheet date to be significantly different from the carrying values that would eventually be settled.

25. EVENTS SUBSEQUENT TO THE BALANCE SHEET DATE

- a) On 19 September 2014, the directors declared 1666.67% single tier dividend (total dividend of RM500,000.00) in respect of the current financial year. The dividend was paid to the shareholders registered on 19 September 2014. The net dividend per share was RM16.67.
- b) The Company has disposed all the shares in CKG Academy Sdn. Bhd. on 05 November 2014. Thus CKG Academy Sdn. Bhd. shall cease to be wholly owned subsidiary of CK Graphic Sdn. Bhd.

26. COMPARATIVE FIGURES

The following comparative figures have been restated on the face of cash flow statement, which in the opinion of the directors would reflect the fairer presentation of the financial statements.

	As previously reported 2011 RM	As restated 2011 RM
<u>Restatement of cash flow statement</u>		
CASH FLOW STATEMENT		
OPERATING ACTIVITIES :		
Increase / (Decrease) in payables	93,966.92	(138,369.08)
Cash generated from operations	<u>743,700.53</u>	<u>511,364.53</u>
INVESTING ACTIVITIES :		
Purchase of property, plant & equipment	<u>(475,924.75)</u>	<u>(243,588.75)</u>
Net cash (used in) investing activities	<u>(475,924.75)</u>	<u>(243,588.75)</u>

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

	2014 RM	2013 RM
SALES	5,754,833.00	3,384,888.49
LESS: DIRECT COSTS		
Sub-contractors wages	<u>(281,362.19)</u>	<u>(251,945.59)</u>
	5,473,470.81	3,132,942.90
ADD: OTHER INCOME		
Bad debts recovered	-	3,500.00
Interest income	343.62	-
Realised gain on foreign exchange	-	442.75
	<u>343.62</u>	<u>3,942.75</u>
GROSS PROFIT	5,473,814.43	3,136,885.65
LESS: OPERATING EXPENDITURE		
(as per schedule)	<u>(2,431,970.34)</u>	<u>(1,621,154.69)</u>
PROFIT BEFORE TAX	<u>3,041,844.09</u>	<u>1,515,730.96</u>

This schedule does not form part of the financial statements

CK GRAPHIC SDN. BHD.

(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENDITURE FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

	2014 RM	2013 RM
DISTRIBUTION COSTS		
Advertisement	12,158.00	9,635.78
Exhibition fees	23,720.10	1,446.00
Petrol, parking & toll	29,530.59	22,701.85
Road tax & insurance	9,045.82	7,772.25
Transportation	615.00	-
Travelling & accomodation	40,609.43	18,888.92
Upkeep of motor vehicles	7,378.62	4,857.84
	123,057.56	65,302.64
ADMINISTRATIVE EXPENSES		
Accounting fee	6,500.00	6,300.00
Administration fee	-	100.00
Audit fee	8,500.00	5,000.00
Cleaning fee	5,640.00	2,040.00
Commission	-	(119,834.63)
Consultancy fee	-	15,000.00
Courier, stamp & postage	2,537.64	2,455.63
Depreciation of property, plant & equipment	251,579.23	132,727.82
Directors' remuneration	334,000.00	292,000.00
EPF & Socso	161,675.70	134,181.25
Insurance	945.30	1,149.42
Legal fee	-	22,600.00
Licence fee	-	1,150.00
Newspaper & periodicals	322.65	303.40
Printing & stationery	7,601.95	11,922.50
Professional fees	1,120.00	1,920.00
Quit rent & assessment	573.55	780.64
Rental of premises	198,570.40	145,070.40
Salaries, wages, allowances & bonus	1,049,889.95	743,010.04
Secretarial, filing fee & disbursements	1,678.40	1,352.00
Seminar & training fee	6,933.40	5,751.16
Service charges	3,777.84	5,666.71
	2,041,846.01	1,410,646.34
BALANCE CARRIED FORWARD	2,164,903.57	1,475,948.98

This schedule does not form part of the financial statements

CK GRAPHIC SDN. BHD.
(Incorporated in Malaysia)

SCHEDULE OF OPERATING EXPENDITURE FOR THE FINANCIAL YEAR ENDED
30 JUNE 2014

	2014 RM	2013 RM
BALANCE BROUGHT FORWARD	2,164,903.57	1,475,948.98
ADMINISTRATIVE EXPENSES (Cont'd)		
Staff amenities & welfare	4,810.90	2,195.10
Staff refreshment	30,554.43	19,382.33
Stamp duty	1,307.00	920.00
Subscription fees	45,100.00	440.00
Telephone & fax charges	22,914.49	19,888.89
Upkeep of air-conditioner	1,560.00	150.00
Upkeep of computer	15,469.78	2,063.60
Upkeep of office	4,236.48	8,098.80
Upkeep of office equipment	4,634.00	707.90
Upkeep of hostel	2,349.00	-
Water & electricity	39,233.62	30,288.22
	172,169.70	84,134.84
OTHER OPERATING EXPENSES		
Bank charges	1,157.80	655.00
Compound	369.00	6,217.85
Gift & donation	7,370.00	17,799.80
Medical fees	17,080.10	1,682.80
Sundry expenses	15,896.54	5,819.46
	41,873.44	32,174.91
FINANCE COSTS		
Hire purchase interest	34,867.54	9,473.41
Term loan interest	18,156.09	19,422.55
	53,023.63	28,895.96
TOTAL	<u>2,431,970.34</u>	<u>1,621,154.69</u>

This schedule does not form part of the financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

CK GRAPHIC SDN BHD

ASSETS	SA
Current assets	
Cash and cash equivalents	112,963
Trade and other receivables	1,277,707
Amount owing by a subsidiary	109,418
Other current assets	19,619
Total current assets	1,519,707
Non-current assets	
Trade and other receivables	
Mining tenements	
Financial assets	
Equipment	482,841
Investment in subsidiary	70,004
Non-current intangible assets	
Total non-current assets	552,845
Total Assets	2,072,552
LIABILITIES	
Current liabilities	
Borrowings	138,900
Trade and other payables	172,140
Employee benefits provision	
Total current liabilities	311,040
Non-current liabilities	
Deferred tax	19,625
Employee benefits provision	
Total non-current liabilities	19,625
Total Liabilities	330,665
Net Assets	1,741,887
EQUITY	
Issued capital	10,501
Expenses of the offer	
Reserves	
Accumulated losses	1,731,386
Total Equity	1,741,887

NOTE SA1 = RM 2.857

**STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE
INCOME OF CK GRAPHIC SDN BHD EXPRESSED IN \$A1 = RM 2.857
FOR THE SIX MONTHS ENDED 31 DECEMBER 2014**

	CK Graphic 2014 \$A
Revenue from continuing operations	924,811
Other income	465
	925,276
Direct costs	(75,440)
Administrative expenses	(363,142)
Finance costs	(8,537)
(Loss)/Profit from operations before income tax	478,158
Income tax expense	-
(Loss)/Profit after income tax	478,158
Other Comprehensive Income	-
Other comprehensive income for the year net of tax	-
Total comprehensive (loss)/income attributable to members of the consolidated entity	478,158