

I SYNERGY HOLDINGS BERHAD

(Company No: 1138715 - H)

Financial Statements

For the Financial Year Ended 31 December 2017

I SYNERGY HOLDINGS BERHAD

(Incorporated In Malaysia)

Company No: 1138715 - H

FINANCIAL REPORT

for the financial year ended 31 December 2017

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I SYNERGY HOLDINGS BERHAD

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FINANCIAL HIGHLIGHTS

	2015	2016	2017
	RM	RM	RM
Revenue	40,259,360	45,276,900	-
(Loss)/Profit Before Taxation	(2,253,604)	2,414,809	(112,738)
(Loss)/Profit After Taxation	(2,253,604)	2,344,809	(114,018)
Total Assets	27,200,753	5,209,036	25,528
Total Liabilities	24,454,357	117,831	48,341
Total Equity	2,746,396	5,091,205	(22,813)

I SYNERGY HOLDINGS BERHAD

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CORPORATE GOVERNANCE

This statement summarises the main corporate governance practices of I Synergy Holdings Berhad.

The Board of Directors is primarily responsible for creating, protecting and delivering long term shareholder value. This is achieved through the application of appropriate corporate governance policies and procedures relevant to the size of the Company and the scale of its operations.

The Directors are committed to maintain a Board that is highly skilled, experienced and capable of fulfilling its obligations.

The Company complies with the National Stock Exchange (NSX) of Australia's principles of corporate governance (the Principles).

Principle	Summary of Policies
Lay solid foundations for management and oversight	<p>The Board of Directors is responsible for the corporate governance of the Company. The Board provides strategic guidance for the Company, and effective oversight of management.</p> <p>Management are responsible for implementing the strategic objectives of the company and operating within the risk appetite set by the Board as well as other aspects of the day-to-day running of the Company. Management is also responsible for providing the Board with accurate, timely clear information to enable the Board to perform its responsibilities.</p>
Structure the board to add value	<p>The Board's policy is that the Board needs to have an appropriate mix of skills, experience, expertise and diversity to be well equipped to help the Company navigate the range of challenges faced by the company</p> <p>The Board seeks to ensure that:</p> <ul style="list-style-type: none">• At any point in time, its membership represents an appropriate balance between directors with experience and knowledge of the Company and directors with an external or fresh perspective;• There is a sufficient number of directors to serve on Board committees without overburdening the directors or making it difficult for them to fully discharge their responsibilities; and• The size of the Board is appropriate to facilitate effective discussion and efficient decision making.
Act ethically and responsibly	<p>The Board acknowledges and emphasises the importance of all directors and employees maintaining the highest standards of corporate governance practice and ethical conduct.</p> <p>A code of conduct has been established requiring directors and employees to:</p> <ul style="list-style-type: none">• Act in the best interest of the entity;• Act honestly and with high standards of personal integrity;• Exercise due care and diligence in fulfilling the functions of office;• Avoid conflicts and make full disclosure of any possible conflicts of interest;• Comply with the laws and regulations that apply to the entity and its operations;• Not knowingly participate in any illegal or unethical activity; and• Comply with the share trading policy outlined in the Code of Conduct.

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CORPORATE GOVERNANCE

Safeguard integrity in financial reporting	<p>The external auditor is appointed to ensure the integrity in financial reporting and financial statements are prepared to give a true and fair view of the entity.</p> <p>The Board have received from its Chief Executive Officer/Chief Financial Officer a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>
Make timely and balanced disclosure	<p>The Board has established policies and procedures to ensure timely and balanced disclosures of all material matters concerning the Company, and to ensure that all investors have equal and timely access to information on the Company's financial performance.</p> <p>These policies and procedures include a comprehensive disclosure policy that includes identification of matters that may have a material effect on the price on the Company's securities, quality control procedures over announcements, notifying them to the NSX, posting relevant information on the Company's website and issuing media releases.</p>
Respect the rights of security holders	<p>The Company has defined under its Shareholder Communications Policy how it will communicate with shareholders.</p>
Recognise and manage risk	<p>The Board considers identification and management of key risks associated with the business as vital to maximise shareholder wealth. A yearly assessment of the business's risk profile is undertaken and reviewed by the Board, covering all aspects of the business from the operational level through to strategic level risks.</p> <p>The Board has been delegated the task of implementing internal controls to identify and manage risks for which the Board provides oversight. The effectiveness of these controls is monitored and reviewed regularly. The recent economic environment has emphasised the importance of managing and reassessing its key business risks.</p>
Remunerate fairly and responsibly	<p>The Company's remuneration policy is designed in such a way that it:</p> <ul style="list-style-type: none">• motivates senior executives to pursue the long-term growth and success of the Company; and• demonstrates a clear relationship between senior executives' performance and remuneration. <p>The remuneration policy, which sets the terms and conditions for the key management personnel (KMP) was developed by the Remuneration Committee after seeking professional advice from independent consultants and was approved by the Board.</p>

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITY

The Company is principally engaged in the business of investment holding. There has been no significant change in the nature of this activity during the financial year.

RESULTS

	RM
Loss after taxation for the financial year	<u>114,018</u>

DIVIDENDS

No dividend was recommended by the directors for the financial year.

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

- (a) the Company implemented share consolidation on the basis that every fifty (50) shares of RM0.02 each in the issued and paid up share capital of the Company be consolidated into one (1) issued consolidated share of RM1.00 each in the issued and paid up share capital of the Company;
- (b) following the sanction of court obtained on 1 November 2016, on 30 March 2017, the Company completed a capital reduction exercise to reduce the Company's issued and paid-up ordinary share capital from RM5,000,000 to RM100,000; and
- (c) there were no issues of debentures by the Company.

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DIRECTORS' REPORT

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate. The financial statements of the Company are prepared on the basis of accounting principles applicable to going concerns as a director, who is also a substantial shareholder of the Company, has indicated his willingness to provide financial support to the Company to enable it to operate as a going concern in the foreseeable future.

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DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Dato' Teo Chee Hong
Ong Han Keong
Chu Chung Piow

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DIRECTORS' REPORT

DIRECTORS' INTERESTS

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

	At 1.1.2017	Number Of Ordinary Shares		At 31.12.2017
		Bought	Sold	
<i>Direct Interests</i>				
Dato' Teo Chee Hong	3,422,446	-	-	3,422,446
Ong Han Keong	204,400	-	-	204,400
Chu Chung Piow	204,400	-	-	204,400

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests.

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

DIRECTORS' REMUNERATION

There were no directors' remuneration paid or payable during the financial year.

INDEMNITY AND INSURANCE COST

During the financial year, there is no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year is disclosed in Note 12 to the financial statements.

SIGNIFICANT EVENT OCCURING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 13 to the financial statements.

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DIRECTORS' REPORT

AUDITORS

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

The auditors' remuneration are disclosed in Note 9 to the financial statements.

Signed in accordance with a resolution of the directors dated 22 March 2018



Dato' Teo Chee Hong



Ong Han Keong

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STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Teo Chee Hong and Ong Han Keong, being two of the directors of I Synergy Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 14 to 35 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2017 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 22 March 2018



Dato' Teo Chee Hong



Ong Han Keong

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Dato' Teo Chee Hong, I/C No. 790928-01-5357, being the director primarily responsible for the financial management of I Synergy Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 14 to 35 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
Dato' Teo Chee Hong, I/C No. 790928-01-5357,
at Kuala Lumpur in the Federal Territory
on this 22 March 2018



Before me



Dato' Teo Chee Hong

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
I SYNERGY HOLDINGS BERHAD**
(Incorporated in Malaysia)
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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of I Synergy Holdings Berhad, which comprise the statements of financial position as at 31 December 2017 of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 14 to 35.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3.2 of the financial statements, which indicates that the Company incurred a net loss of RM114,018 during the financial year ended 31 December 2017 and, as of that date, the Company has deficit in shareholder's equity of RM22,813. As stated in Note 3.2, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
I SYNERGY HOLDINGS BERHAD. (CONT'D)**

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Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
I SYNERGY HOLDINGS BERHAD. (CONT'D)**

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Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
I SYNERGY HOLDINGS BERHAD. (CONT'D)**

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OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Crowe Horwath
Firm No: AF 1018
Chartered Accountants

22 March 2018

Kuala Lumpur



Chan Kuan Chee
Approval No: 2271/10/19 (J)
Chartered Accountant

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STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2017

	Note	2017 RM	2016 RM
ASSET			
CURRENT ASSETS			
Amount owing by related parties	5	10,781	5,178,505
Bank balance		14,747	30,531
TOTAL ASSET		25,528	5,209,036
EQUITY AND LIABILITY			
EQUITY			
Share capital	6	100,000	5,000,000
(Accumulated loss)/Retained profit		(122,813)	91,205
TOTAL EQUITY		(22,813)	5,091,205
CURRENT LIABILITIES			
Other payables and accrual	7	48,341	45,936
Amount owing to a related party	5	-	1,895
Current tax liability		-	70,000
TOTAL LIABILITY		48,341	117,831
TOTAL EQUITY AND LIABILITY		25,528	5,209,036

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	2017 RM	2016 RM
REVENUE	8	-	297,000
OTHER INCOME		-	359,715
ADMINISTRATIVE EXPENSES		(112,738)	(72,271)
(LOSS)/PROFIT BEFORE TAXATION	9	(112,738)	584,444
INCOME TAX EXPENSE	10	(1,280)	(70,000)
(LOSS)/PROFIT AFTER TAX		(114,018)	514,444
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (EXPENSES)/INCOME FOR THE FINANCIAL YEAR		(114,018)	514,444
(LOSS)/PROFIT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO:- Owners of the Company		(114,018)	514,444
TOTAL COMPREHENSIVE (EXPENSES)/INCOME ATTRIBUTABLE TO:- Owners of the Company		(114,018)	514,444

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**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Note	Share Capital RM	(Accumulated Loss)/ Retained Profit RM	Total RM
Balance at 1.1.2016		5,000,000	(423,239)	4,576,761
Profit after taxation/Total comprehensive income for the financial year		-	514,444	514,444
Balance at 31.12.2016/1.1.2017		5,000,000	91,205	5,091,205
Capital reduction	6	(4,900,000)	(100,000)	(5,000,000)
Loss after taxation/Total comprehensive expenses for the financial year		-	(114,018)	(114,018)
Balance at 31.12.2017		100,000	(122,813)	(22,813)

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**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	2017 RM	2016 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES (Loss)/Profit before taxation/Operating (loss)/profit before working capital changes	(112,738)	584,444
Increase in other payables	2,405	5,782
CASH FLOWS (FOR)/FROM OPERATIONS	(110,333)	590,226
Income tax paid	(71,280)	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES	(181,613)	590,226
NET CASH FROM/(FOR) INVESTING ACTIVITY Repayment from/(Advances to) a related party	167,724	(178,505)
CASH FLOWS FOR FINANCING ACTIVITIES Repayment from a former subsidiary	-	(383,085)
(Repayment to)/Advances from a related party	(1,895)	1,895
NET CASH FOR FINANCING ACTIVITIES	(1,895)	(381,190)
NET(DECREASE)/INCREASE IN BANK BALANCE	(15,784)	30,531
BANK BALANCE AT BEGINNING OF THE FINANCIAL YEAR	30,531	-
BANK BALANCE AT END OF THE FINANCIAL YEAR	14,747	30,531

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are as follows:-

Registered office : B-1-15, Block B, 8 Avenue,
Jalan Sungai Jemih 8/1,
Section 8,
46050 Petaling Jaya,
Selangor Darul Ehsan.

Principal place of business : Unit 20-10, Tower A, The Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 22 March 2018.

2. PRINCIPAL ACTIVITY

The Company is principally engaged in the business of investment holding. There has been no significant change in the nature of this activity during the financial year.

3. BASIS OF ACCOUNTING

3.1 BASIS OF PREPARATION

The financial statements of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- (i) During the current financial year, the Company has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 107: Disclosure Initiative

Amendments to MFRS 112: Recognition of Deferred Tax Assets for Unrealised Losses

Annual Improvements to MFRS Standards 2014 – 2016 Cycles: Amendments to MFRS 12: Clarification of the Scope of the Standard

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the Company's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. BASIS OF PREPARATION (CONT'D)

3.1 BASIS OF PREPARATION (CONT'D)

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

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1 January 2018
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 15: Effective Date of MFRS 15	1 January 2018
Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'	1 January 2018
Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures	1 January 2019

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

3. BASIS OF PREPARATION (CONT'D)

3.1 BASIS OF PREPARATION (CONT'D)

- (b) The Company has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:- (Cont'd)

Amendments to MFRS 140 – Transfers of Investment Property	1 January 2018
Annual Improvements to MFRS Standards 2014 – 2016 Cycles:	
• Amendments to MFRS 1: Deletion of Short-term Exemptions for First-time Adopters	
• Amendments to MFRS 128: Measuring an Associate or Joint Venture at Fair Value	1 January 2018
Annual Improvements to MFRS Standards 2015 – 2017 Cycles	1 January 2019

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application.

3.2 GOING CONCERN

The financial statements are prepared on the basis of accounting principles applicable for a going concern as a director, who is also a substantial shareholder, has indicated his willingness to provide financial support to the Company to enable it to operate as a going concern in the foreseeable future, notwithstanding the Company have incurred a net loss of RM114,018 during the financial year ended 31 December 2017 and as of that date, the Company has deficit in shareholders' equity of RM22,813 at 31 December 2017.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Company's accounting policies, the management is not aware of any estimates or judgements that have significant effects on the amounts recognised in the financial statements.

There are no assumptions concerning the future and other key sources of estimation of uncertainties at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.2 FUNCTIONAL AND PRESENTATION CURRENCIES

The functional currency of the Company is the currency of the primary economic environment in which the Company operates.

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

4.3 FINANCIAL INSTRUMENTS

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

Financial instruments are classified as financial assets, financial liabilities or equity instruments in accordance with the substance of the contractual arrangement and their definitions in MFRS 132. Interest, dividends, gains and losses relating to a financial instrument classified as a liability are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

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

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

(a) Financial Assets

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

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

As at the end of the reporting period, there were no financial assets classified under this category.

(ii) Held-to-maturity Investments

As at the end of the reporting period, there were no financial assets classified under this category.

(iii) Loans and Receivables Financial Assets

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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

(iv) Available -for-sale Financial Assets

As at the end of the reporting period, there were no financial assets classified under this category.

(b) Financial Liabilities

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

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

(ii) Other Financial Liabilities

Other financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(d) Derecognition

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

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

4.4 IMPAIRMENT OF FINANCIAL ASSETS

All financial assets (other than those categorised at fair value through profit or loss, are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 CASH AND CASH EQUIVALENTS

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

4.6 INCOME TAXES

(a) Current Tax

Current tax assets and liabilities are expected amount of income tax recoverable or payable to the taxation authorities.

Current taxes are measured using tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period and are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss (either in other comprehensive income or directly in equity).

(b) Deferred Tax

Deferred tax are recognised using the liability method for temporary differences other than those that arise from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

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

Current and deferred tax items are recognised in correlation to the underlying transactions either in profit or loss, other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill or negative goodwill.

Current tax assets and liabilities or deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxable entity (or on different tax entities but they intend to settle current tax assets and liabilities on a net basis) and the same taxation authority.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 INCOME TAXES (CONT'D)

(c) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of GST except for the GST in a purchase of assets or services which are not recoverable from the taxation authorities, the GST are included as part of the costs of the assets acquired or as part of the expense item whichever is applicable.

In addition, receivables and payables are also stated with the amount of GST included (where applicable).

The net amount of the GST recoverable from or payable to the taxation authorities at the end of the reporting period is included in other receivables or other payables.

4.7 RELATED PARTIES

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

- (a) A person or a close member of that person's family is related to a reporting entity if that person:-
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

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

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

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4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 RELATED PARTIES (CONT'D)

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the reporting entity either directly or indirectly, including any director (whether executive or otherwise) of that entity.

4.8 FAIR VALUE MEASUREMENTS

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

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

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

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

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5. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing by/(to) are non-trade in nature, unsecured, interest-free and receivable/(repayable) on demand. The amounts owing are to be settled in cash.

6. SHARE CAPITAL

The movements in the authorised and paid-up share capital of the Company are as follows:-

	2017 Number of shares	2016 Number of shares	2017 RM	2016 RM
Authorised				
Ordinary shares of RM0.02 each	N/A	500,000,000	N/A	500,000,000

N/A - Not applicable pursuant to Companies Act 2016 which came into operation on 31 January 2017 as disclosed in item (iii) below.

	2017 Number of shares	2016 Number of shares	2017 RM	2016 RM
Issued and Fully Paid-Up				
Ordinary shares with no Par Value (2016 – Par Value of RM0.02 each)				
At 1 January	5,000,000	250,000,000	5,000,000	5,000,000
Share consolidation	-	(245,000,000)	-	-
Capital reduction	-	-	(4,900,000)	-
At 31 December	5,000,000	5,000,000	100,000	5,000,000

- (i) On 28 July 2016, the Company implemented share consolidation on the basis that every fifty (50) shares of RM0.02 each in the issued and paid-up share capital of the Company be consolidated into one (1) issued consolidated share of RM1.00 each in the issued and paid-up share capital of the Company.
- (ii) Following the sanction of court obtained on 1 November 2016, on 30 March 2017, the Company completed a capital reduction exercise to reduce the Company's issued and paid-up ordinary share capital from RM5,000,000 to RM100,000.
- (iii) On 31 January 2017, the concepts of authorised share capital and par value of share capital were abolished in accordance with the Companies Act 2016. There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

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7. OTHER PAYABLES AND ACCRUAL

	2017 RM	2016 RM
Other payables	45,841	40,936
Accrual	2,500	5,000
	<hr/>	<hr/>
	48,341	45,936
	<hr/>	<hr/>

8. REVENUE

Revenue for prior year of the Company represents software activation, training, licence right to access and affiliate program fees earned and invoiced value of seminar and event, and merchandise sales.

9. (LOSS)/PROFIT BEFORE TAXATION

	2017 RM	2016 RM
(Loss)/Profit before taxation is arrived at after charging:-		
Auditor's remuneration		
- audit fee	2,500	5,000
- non-audit fee	5,300	7,000
	<hr/>	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

10. INCOME TAX EXPENSE

	2017 RM	2016 RM
Income tax expense:		
- for the current financial year	-	70,000
- underprovision in the previous financial year	1,280	-
	<u>1,280</u>	<u>70,000</u>

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

	2017 RM	2016 RM
(Loss)/Profit before taxation	(112,738)	584,444
Tax at the statutory tax rate of 24% (2016 - 24%)	<u>(27,057)</u>	<u>140,267</u>
Tax effects of:-		
Non-taxable income	-	(86,331)
Non-deductible expenses	27,057	16,064
Underprovision of income tax in the previous financial year	1,280	-
	<u>1,280</u>	<u>70,000</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016 - 24%) of the estimated assessable profit for the financial year.

On 21 October 2016, the Government of Malaysia announced the reduction of income tax rate from 24% to a range of 20% to 24% based on the percentage of increase in chargeable income as compared to the immediate preceding year of assessment for years of assessment 2017 and 2018.

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11. FINANCIAL INSTRUMENTS

The Company's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

11.1 FINANCIAL RISK MANAGEMENT POLICIES

The Company's policies in respect of the major areas of treasury activity are as follows:-

(a) Market risk

(i) Foreign Currency Risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currencies of the Company. The currencies giving rise to this risk are primarily Australian dollar ("AUD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Company's exposure to foreign currency risk (a currency which is other than the functional currency of the Company) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

	Australian Dollar RM
2017	
<u>Financial Liabilities</u>	
Other payables and accruals	44,728
	<hr/>
2016	
<u>Financial Liabilities</u>	
Other payables and accruals	39,823
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. FINANCIAL INSTRUMENTS (CONT'D)

11.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market risk (Cont'd)

(i) Foreign Currency Risk

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

Effects on Loss After Taxation

		2017 RM	2016 RM
AUD/RM	- strengthened by 10%	(3,399)	(3,027)
	- weakened by 10%	3,399	3,027

(ii) Interest Rate Risk

The Company does not have any interest-bearing borrowings and hence, is not exposed to interest rate risk.

(iii) Equity Price Risk

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

(b) Credit Risk

The Company's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Company manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

(i) Credit risk concentration profile

The Company's major concentration of credit risk relate to amount owing by a related party which make up 100% of its total receivables.

(ii) Exposure to credit risk

As the Company does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting period.

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11. FINANCIAL INSTRUMENTS (CONT'D)

11.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances to meet the Company's obligations as and when they fall due.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash:-

	Weighted Average Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
2017					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Other payables and accrual	-	48,341	48,341	48,341	-
2016					
<u>Non-derivative</u>					
<u>Financial Liabilities</u>					
Other payables and accrual	-	45,936	45,936	45,936	-
Amount owing to a related party	-	1,895	1,895	1,895	-
		47,831	47,831	47,831	-

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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

11. FINANCIAL INSTRUMENTS (CONT'D)

11.2 CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that entities within the Company will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders value. To achieve this objective, the Company may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Company manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as net debt divided by total equity. The Company includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

The debt-to-equity ratio of the Company at the end of the reporting period is not presented as the Company has no borrowings from financial institutions.

11.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	2017 RM	2016 RM
Financial Assets		
<u>Loans and Receivables Financial Assets</u>		
Amount owing by a related party	10,781	5,178,505
Bank balance	14,747	30,531
	<hr/>	<hr/>
	25,528	5,209,036
	<hr/>	<hr/>
Financial Liabilities		
<u>Other Financial Liabilities</u>		
Other payables and accrual	48,341	45,936
Amount owing to a related party	-	1,895
	<hr/>	<hr/>
	48,341	47,831
	<hr/>	<hr/>

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11. FINANCIAL INSTRUMENTS (CONT'D)

11.4 FAIR VALUE INFORMATION

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

The fair values of the financial assets and financial liabilities of the Company that maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

12. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Companies Act 2016 came into operation on 31 January 2017 (except for Section 241 and Division 8 of Part III of the said Act) and replaced Companies Act 1965.

Amongst the key changes introduced under the Companies Act 2016 that have affected the financial statements of the Company upon its initial implementation are:-

- (i) Removal of the authorised share capital; and
- (ii) Ordinary shares ceased to have par value.

The Companies Act 2016 was applied prospectively and the impacts on implementation are disclosed in the respective note(s) to financial statements.

13. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

Subsequent to the reporting period, the Company is in discussions with a company X Spa Beauty Sdn Bhd ("X Spa"). The purpose of the discussions is to reach an agreement for the acquisition of X Spa by the Company. Current negotiations are being held with the expectation of signing a Memorandum of Understanding in the near future. The objective of the acquisition is the Company to reposition its business direction after disposal of its core business in previous financial years.

The management believe that the acquisition to create and enhance value to the shareholders to allow the existing shareholders to participate in the growth in X Spa business and expansion. It is estimated it could take 3 to 4 months after signing the Memorandum of Understanding where the Company will perform due diligence on the X Spa and call for shareholders meeting in resolving the acquisition. The purchase price will be satisfied through the issue of consideration shares. The outcome of the transaction will likely result in the shareholders of X Spa constitute the majority of the shareholding of the Company. The final shareholding distribution will depend of the final valuation of the X Spa business.

The expectation at this stage is that a transaction will be concluded during the second quarter of 2018

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STOCK EXCHANGE INFORMATION

Top 10 Ordinary Shareholders As At 31 December 2017

Shareholder	No. of Shares Held	% Held
DATO TEO CHEE HONG	3,422,446	68.449
TIME GUARDIAN VENTURES LIMITED	744,580	14.892
ONG HAN KEONG	204,400	4.088
CHU CHUNG PIOW	204,400	4.088
FAME OPUS MANAGEMENT LIMITED	159,200	3.184
ORCHARD LANE HOLDINGS LIMITED	140,000	2.800
MOHAMMAD YAZID BIN DAUD	10,100	0.202
ENG GUO MIAO	7,900	0.158
ISHARIZAT BIN IBRAHIM	6,400	0.128
AMRAN BIN MUNIR	5,000	0.100