I SYNERGY HOLDINGS BERHAD

(Incorporated In Malaysia)
Company No: 1138715 - H

FINANCIAL REPORT
for the 6-month financial period ended
30 June 2019

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STATEMENT BY DIRECTORS

We, Dato' Teo Chee Hong and Chu Chung Piow, 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 4 to 23 are drawn up in accordance Malaysian Financial Reporting Standards, MFRS 134: Interim Financial Reporting and International Accounting Standards, IAS 34: Interim Financial Reporting so as to give a true and fair view of the financial position of the Company at 30 June 2019 and of its financial performance and cash flows for the 6-month financial period ended on that date.

Signed in accordance with a resolution of the directors dated 13 AUG 2019

Dato' Teo Chee Hong

Chu Chung Piow

Crowe Malaysia PLT
(LLP0018817-LCA & AF 1018)
Chartered Accountants

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INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No : 1138715 - H

We have reviewed the accompanying statement of financial position of I Synergy Holdings Berhad as of 30 June 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the 6-month financial period then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 4 to 23.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with Malaysian Financial Reporting Standard, MFRS 134: Interim Financial Reporting and International Accounting Standard, IAS 34: Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 RM82,600 during the 6-month financial period ended 30 June 2019 and, as of that date, the Company has deficit in shareholder's equity of RM101,885. 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 conclusion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the Company as at 30 June 2019, and of the financial performance and cash flows of the Company for the 6-month financial period ended in accordance with Malaysian Financial Reporting Standard, MFRS 134: Interim Financial Reporting and International Accounting Standard, IAS 34: Interim Financial Reporting.

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF
I SYNERGY HOLDINGS BERHAD (CONT'D)
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Other Matters

This report is made solely to the directors of the Company, as a body, in accordance with NSX Listing Rules 6.10 of Section IIA and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia

Crowe Malaysia PLT
LLP0018817-LCA & AF 1018
Chartered Accountants

Kuala Lumpur

13 AUG 2019

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)
Company No: 1138715 - H

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	30.6.2019 RM	31.12.2018 RM
ASSET			
CURRENT ASSETS			
Prepayment		-	28,179
Bank balance		104,115	94,172
TOTAL ASSET		104,115	122,351
EQUITY AND LIABILITY			
EQUITY			
Share capital	5	307,164	100,000
Accumulated losses		(409,049)	(326,449)
TOTAL EQUITY		(101,885)	(226,449)
CURRENT LIABILITIES			
Other payables and accruals	6	112,370	255,170
Amount owing to a director	7	93,630	93,630
TOTAL LIABILITY		206,000	348,800
TOTAL EQUITY AND LIABILITY		104,115	122,351

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019

	Note	**1.1.2019 to 30.6.2019** RM	**1.1.2018 to 30.6.2018** RM
REVENUE		-	-
OTHER INCOME		-	1,718
ADMINISTRATIVE EXPENSES		(82,600)	(60,845)
LOSS FOR THE FINANCIAL PERIOD	8	(82,600)	(59,127)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL PERIOD		(82,600)	(59,127)
LOSS FOR THE FINANCIAL PERIOD ATTRIBUTABLE TO:-			
Owners of the Company		(82,600)	(59,127)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO:-			
Owners of the Company		(82,600)	(59,127)

I SYNERGY HOLDINGS BERHAD
(Incorporated in Malaysia)
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STATEMENT OF CHANGES IN EQUITY
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019

	Note	**Share Capital** RM	**Accumulated Losses** RM	**Total** RM
Balance at 1.1.2018		100,000	(122,813)	(22,813)
Loss/Total comprehensive expenses for the financial period		-	(59,127)	(59,127)
Balance at 30.6.2018/1.7.2018		100,000	(181,940)	(81,940)
Loss/Total comprehensive expenses for the financial period		-	(144,509)	(144,509)
Balance at 31.12.2018/1.1.2019		100,000	(326,449)	(226,449)
Issuance of ordinary shares	5	207,164	-	207,164
Loss/Total comprehensive expenses for the financial period		-	(82,600)	(82,600)
Balance at 30.6.2019		307,164	(409,049)	(101,885)

I SYNERGY HOLDINGS BERHAD
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STATEMENT OF CASH FLOWS
FOR THE 6-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2019

	1.1.2019 to 30.6.2019 RM	**1.1.2018 to 30.6.2018** RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES		
Loss for the financial period/Operating loss before working capital changes	(82,600)	(59,127)
Decrease in prepayment	28,179	-
Increase/(Decrease) in other payables	64,364	(38,642)
NET CASH FROM/(FOR) OPERATING ACTIVITIES	9,943	(97,769)
NET CASH FROM INVESTING ACTIVITY		
Repayment from related parties	-	10,781
NET CASH FROM FINANCING ACTIVITY		
Advances from a director	-	81,799
NET INCREASE/(DECREASE) IN BANK BALANCE	9,943	(5,189)
BANK BALANCE AT BEGINNING OF THE FINANCIAL PERIOD	94,172	14,747
BANK BALANCE AT END OF THE END OF THE FINANCIAL PERIOD	104,115	9,558

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

1. GENERAL INFORMATION

The Company is a public limited 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, 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 13 August 2019.

2. PRINCIPAL ACTIVITY

The Company is principally engaged in the business of investment holding.

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, MFRS 134: Interim Financial Reporting and International Accounting Standard, IAS 34: Interim Financial Reporting.

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

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

MFRS 9 Financial Instruments (IFRS 9 as issued by IASB in July 2014)

MFRS 15 Revenue from Contracts with Customers

MFRS 16 Leases

IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

IC Interpretation 23 Uncertainty Over Income Tax Treatments

Amendments to MFRS 2: Classification and Measurement of Share-based Payment Transactions

Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts

Amendments to MFRS 9: Prepayment Features with Negative Compensation

Amendments to MFRS 15: Effective Date of MFRS 15

Amendments to MFRS 15: Clarifications to MFRS 15 'Revenue from Contracts with Customers'

Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement

Amendments to MFRS 128: Long-term Interests in Associates and Joint Ventures

Amendments to MFRS 140: Transfers of Investment Property

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

Annual Improvements to MFRS Standards 2015 – 2017 Cycles

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Company's financial statements other than the new classification of financial assets under MFRS 9 which is disclosed in Note 10.3 to the financial statements.

3. BASIS OF ACCOUNTING (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 period:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 17 Insurance Contracts	1 January 2021
Amendments to MFRS 3: Definition of a Business	1 January 2020
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 101 and MFRS 108: Definition of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

The adoption of the above accounting standards and interpretations (including the consequential amendments) is expected to have no material impact on the financial 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 RM82,600 during the 6-month financial period ended 30 June 2019 and as of that date, the Company has deficit in shareholders' equity of RM101,885 at 30 June 2019.

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

(a) Functional and Presentation Currency

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.

(b) Foreign Currency Transaction and Balances

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

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.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

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

(a) Financial Assets

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value (through profit or loss, or other comprehensive income), depending on the classification of the financial assets.

Debt Instruments

(i) Amortised Cost

The financial asset is held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. Interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset. When the asset has subsequently become credit-impaired, the interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset.

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), excluding expected credit losses, through the expected life of the financial asset or a shorter period (where appropriate).

(ii) Fair Value through Other Comprehensive Income

The financial asset is held for both collecting contractual cash flows and selling the financial asset, where the asset's cash flows represent solely payments of principal and interest. Movements in the carrying amount are taken through other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference which are recognised directly in profit or loss. Interest income is calculated using the effective interest rate method.

(iii) Fair Value through Profit or Loss

All other financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

The Company reclassifies debt instruments when and only when its business model for managing those assets change.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Assets (Cont'd)

Equity Instruments

All equity investments are subsequently measured at fair value with gains and losses recognised in profit or loss except where the Company has elected to present the subsequent changes in fair value in other comprehensive income and accumulated in the fair value reserve at initial recognition.

The designation at fair value through other comprehensive income is not permitted if the equity investment is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise.

Dividend income from this category of financial assets is recognised in profit or loss when the Company's right to receive payment is established unless the dividends clearly represent a recovery of part of the cost of the equity investments.

(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. The changes in fair value of these financial liabilities are recognised in profit or loss

(ii) Other Financial Liabilities

Other financial liabilities are 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 (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 liability or a shorter period (where appropriate).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 FINANCIAL INSTRUMENTS (CONT'D)

(c) Equity Instruments

Equity instruments classified as equity are measured initially 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 when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset measured at amortised cost, the difference between the carrying amount of the asset and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity to profit or loss. In contrast, there is no subsequent reclassification of the fair value reserve to profit or loss following the derecognition of an equity investment.

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

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost.

The expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Company always recognises lifetime expected credit losses for trade receivables and contract assets using the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience and are adjusted for forward-looking information including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

The Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at fair value through other comprehensive income, for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 all 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 the related tax benefits will be realised.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

5. SHARE CAPITAL

	30.6.2019	31.12.2018	30.6.2019	31.12.2018
	Number of shares		RM	RM
Issued and Fully Paid Up				
Ordinary shares				
At 1 January	5,000,000	5,000,000	100,000	100,000
Issuance of new shares	10,358,200	-	207,164	-
At 30 June	15,358,200	5,000,000	307,164	100,000

During the financial period, the Company increased its issued and paid-up share capital from RM100,000 to RM307,164 by way of issuance of 10,358,200 new ordinary shares for a cash consideration of RM207,164.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

6. OTHER PAYABLES AND ACCRUALS

	30.6.2019 RM	31.12.2018 RM
Other payables	106,370	252,670
Accruals	6,000	2,500
	112,370	255,170

7. AMOUNT OWING TO A DIRECTOR

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

8. LOSS FOR THE FINANCIAL PERIOD

	1.1.2019 to 30.6.2019 RM	1.1.2018 to 30.6.2018 RM
Loss for the financial period is arrived at after charging/(crediting):		
Audit fee	3,500	3,000
Realised loss/(gain) on foreign exchange	812	(1,718)

9. INCOME TAX EXPENSE

The Company is not subject to tax as it is in a tax loss position.

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018 - 24%) of the estimated assessable profit for the financial period.

The corporate tax rate of the Company on the first RM500,000 of chargeable income is 18% (2018 - 18%). The tax rate applicable to the balance of the chargeable income is 24% and will be reduced by 1% to 4% based on the prescribed incremental percentage of chargeable income from business as compared to that of the immediate preceding year of assessment (2018 - 24%).

A reconciliation of the income tax expense applicable to the loss for the financial period at the statutory tax rate to the income tax expense at the effective tax rate of the Company is as follows:-

	1.1.2019 to 30.6.2019 RM	**1.1.2018 to 30.6.2018** RM
Loss for the financial period	(82,600)	(59,127)
Tax at the statutory tax rate of 24%	(19,824)	(14,190)
Tax effect of:-		
Non-deductible expenses	19,824	14,190
Income tax expenses for the financial period	-	-

10. 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.

10.1 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
30.6.2019	
Financial Liabilities	
Other payables and accruals	1,451
31.12.2018	
Financial Liabilities	
Other payables and accruals	1,332

10. FINANCIAL INSTRUMENTS (CONT'D)

10.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

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 for the Financial Period

		30.6.2019 RM	**31.12.2018** RM
AUD/RM	- strengthened by 10%	(110)	(101)
	- weakened by 10%	110	101

(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 does not have any major concentration of credit risk related to any individual customer or counterparty at the end of the reporting period.

(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.

10. FINANCIAL INSTRUMENTS (CONT'D)

10.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

Assessment of Impairment Losses

At each reporting date, the Company assesses whether any of financial assets at amortised cost are credit impaired. The gross carrying amounts of those financial assets are written off when there is no reasonable expectation of recovery despite they are still subject to enforcement activities.

Bank balance

The Company considers the bank have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

(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 flows:-

	Effective Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
30.6.2019					
Non-derivative Financial Liabilities					
Other payables and accruals	-	112,370	112,370	112,370	-
Amount owing to a director	-	93,630	93,630	93,630	-
		206,000	206,000	206,000	-
31.12.2018					
Non-derivative Financial Liabilities					
Other payables and accruals	-	255,170	255,170	255,170	-

10. FINANCIAL INSTRUMENTS (CONT'D)

10.2 CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to safeguard the entity's ability to continue as a going concern, so that it continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk. The management sets the amount of capital in proportion to risk. There were no changes in the approach to capital management during financial period. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

10.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	30.6.2019 RM	**31.12.2018** RM
Financial Assets		
Amortised Cost		
Bank balance	104,115	94,172
Financial Liability		
Amortised Cost		
Other payables and accruals	112,370	255,170
Amount owing to a director	93,630	93,630
	206,000	348,800

10.4 FAIR VALUE INFORMATION

At the end of the reporting period, there was no financial instrument 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.