

  
HEW CHEE HAU (MIA 21967)  
COMPANY SECRETARY

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PARTNER, McCULLOUGH  
ROBERTSON, AUSTRALIA.

**A2A GLOBAL NETWORK SDN. BHD.**  
(Incorporated in Malaysia)

**Reports and Financial Statements  
31 December 2016**

"These financial statements and reports of the  
company with ~~Qualified~~/Unqualified Auditors'  
Report for the financial year end 31.12.2016  
were circulated on 30.06.2017 "



Secretary

HEW CHEE HAU (MIA 21967)

  
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**A2A GLOBAL NETWORK SDN. BHD.**  
(Incorporated in Malaysia)

**Reports and Financial Statements  
31 December 2016**

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**A2A GLOBAL NETWORK SDN. BHD.**

(Incorporated in Malaysia)

  
NEW CHEE HAU (MIA 21967)  
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**DIRECTORS' REPORT**

The directors hereby submit their report together with the audited financial statements of the company for the financial period from 16 December 2015, the date of incorporation to 31 December 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company is retail sales of any kinds of products by direct selling or e-commerce platform, data technology solutions and other related services. There was no significant change in the nature of this activity during the financial period.

**FINANCIAL RESULTS**

	RM
Loss after taxation	<u><u>(2,461,510)</u></u>

In the opinion of the directors, the results of the operations of the company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature.

**DIVIDEND**

No dividend has been paid, declared or proposed since the date of incorporation. The directors do not recommend the payment of any dividend in respect of the current financial period.

**MOVEMENTS ON RESERVES AND PROVISIONS**

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

**ISSUE OF SHARES AND DEBENTURES**

During the financial period, the company has issued the following shares:

Date of Issue	Purpose of Issue	Number of Shares Issued	Class of Share	Term of Issue
16.12.2015	Subscribers' shares	2	Ordinary	At par
22.03.2016	Working capital	1,999,998	Ordinary	At par

The newly issued shares rank pari passu in all respect with the previously issued shares.

There was no issue of debentures by the company during the financial period.

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## OPTIONS

No option has been granted during the financial period to take up unissued shares of the company.

## DIRECTORS

The directors in office since the date of incorporation are:

Yue Saw Leng(f)	(first director)
Loo Yee Mun	(first director)

## DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests of directors who held office at the end of the financial period in the shares in the company during the financial period are as follows:

	----- No. of Ordinary Shares of RM1 each -----			Balance 31.12.2016
	Date of incorporation 16.12.2015	Bought	Sold	
Yue Saw Leng	1	999,999	-	1,000,000
Loo Yee Mun	1	999,999	-	1,000,000

## DIRECTORS' BENEFITS

Since the date of the incorporation, no director has received or become entitled to receive a benefit (*other than the directors' remuneration shown in Note 10 to the financial statements*) by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial period was the company a party to any arrangement whose object was to enable the directors to acquire benefits through the acquisition of shares in, or debentures of, the company or any other body corporate.

Company No. 1169274-K

**OTHER STATUTORY INFORMATION**

  
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Before the financial statements of the company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts to be written off and that no allowance for doubtful debts was necessary; and
- (b) to ensure that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their expected realisable values.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts or the values attributed to current assets misleading; and
- (b) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the company misleading or inappropriate.

In the interval between the end of the financial period and the date of this report:

- (a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the company for the current financial period; and
- (b) no charge has arisen on the assets of the company which secures the liabilities of any other person nor has any contingent liability arisen in the company.

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 period which, in the opinion of the directors, will or may affect the ability of the company to meet its obligations when they fall due.

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

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**AUDITORS**

The auditors, Messrs Siew Boon Yeong & Associates, Chartered Accountants, have expressed their willingness to continue in office.

  
HEW CHEE HAU (MIA 21967)  
COMPANY SECRETARY

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



**YUE SAW LENG**  
Director



**LOO YEE MUN**  
Director

Kuala Lumpur,  
Date: 1 JUNE 2017

**A2A GLOBAL NETWORK SDN. BHD.**

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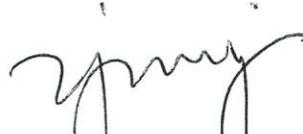
  
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COMPANY SECRETARY

**STATEMENT BY DIRECTORS**

In the opinion of the directors, the financial statements set out on pages 10 to 26 are drawn up in accordance with Malaysian Private Entities Reporting Standard and the requirements of Companies Act, 1965 in Malaysia so as to exhibit a true and fair view of the state of affairs of the company as at 31 December 2016 and of the results and cash flows of the company for the period ended on that date.

Signed in Kuala Lumpur on 1 JUNE 2017

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

  
YUE SAW LENG

  
LOO YEE MUN

**STATUTORY DECLARATION**

I, Yue Saw Leng, being the director primarily responsible for the financial management of A2A Global Network Sdn. Bhd., do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 10 to 26 are 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 in Kuala Lumpur on 1 JUNE 2017

  
YUE SAW LENG

Before me:



Commissioner for Oaths

  
KAPT (G) AFFANDI BIN AHMAD  
Kuala Lumpur



# SIEW BOON YEONG & ASSOCIATES

Chartered Accountants [AF: 0660]

9-C, Jalan Medan Tuanku, Medan Tuanku, 50300 Kuala Lumpur, Malaysia.

Tel: 03-2693 8837 Fax: 03-2693 8836 Website: www.sby.com.my E-mail: audit@sby.com.my



Member Firm Of  
Malaysian Institute Of Accountants  
Institut Akakauntan Malaysia  
(Established & Licensed in 1967)

Company No. 1169274-K

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF**  
**A2A GLOBAL NETWORK SDN. BHD. CERTIFIED TRUE COPY**  
(Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of A2A Global Network Sdn. Bhd., which comprise the statement of financial position as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 26.

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

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

We draw attention to *Note 2* in the financial statements, which indicates that the company incurred net loss of RM2,461,510 during the financial period ended 31 December 2016 and, as at that date, the company's current and total liabilities exceeded its current and total assets by RM1,038,262 and RM461,510 respectively. These indicate the existence of a material uncertainty which may cast significant doubt on the ability of the company to continue as a going concern. Our opinion is not modified in respect of this matter.

### 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.



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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 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 Directors' Report 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 the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Statements*

The directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Private Entities Reporting Standard and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine are necessary to enable the preparation of financial statements 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.

*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 preparation these financial statements.

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

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

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

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COMPANY SECRETARY

**Other Matters**

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

  
SIEW BOON YEONG & ASSOCIATES  
AF: 0660  
Chartered Accountants

  
DATO' SIEW BOON YEONG  
01321/07/2018 J  
Chartered Accountant

Kuala Lumpur,  
Date: 1 June 2017

**A2A GLOBAL NETWORK SDN. BHD.**

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 COMPANY SECRETARY

**STATEMENT OF FINANCIAL POSITION**  
**as at 31 December 2016**

	<i>Note</i>	RM
<b>ASSETS</b>		
<b>Non-current Assets</b>		
Property, plant and equipment	4	<u>576,752</u>
<b>Current Assets</b>		
Other assets	5	33,450
Bank balances		<u>3,900,885</u>
		<u>3,934,335</u>
<b>Total Assets</b>		<u><u>4,511,087</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	6	2,000,000
Accumulated losses		<u>(2,461,510)</u>
<b>Total Equity</b>		<u>(461,510)</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Other payables	7	4,967,597
Other liabilities	8	<u>5,000</u>
<b>Total Liabilities</b>		<u>4,972,597</u>
<b>Total Equity and Liabilities</b>		<u><u>4,511,087</u></u>

The accompanying notes form an integral part of the financial statements.

Company No. 1169274-K

**A2A GLOBAL NETWORK SDN. BHD.**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the period from 16 December 2015,**  
**the date of incorporation to 31 December 2016**

	<i>Note</i>	RM
REVENUE	9	744,786
OTHER OPERATING INCOME		1,568
EMPLOYEE BENEFIT EXPENSES	10	(938,730)
DEPRECIATION		(144,188)
OTHER OPERATING EXPENSES		<u>(2,124,946)</u>
LOSS BEFORE TAXATION	11	(2,461,510)
INCOME TAX EXPENSE	12	<u>-</u>
NET LOSS, REPRESENTING TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		<u><u>(2,461,510)</u></u>

The accompanying notes form an integral part of the financial statements.

**A2A GLOBAL NETWORK SDN. BHD.**

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**STATEMENT OF CHANGES IN EQUITY  
for the period from 16 December 2015,  
the date of incorporation to 31 December 2016**

	Share capital	Accumulated losses	Total
	RM	RM	RM
At incorporation	2	-	2
Issuance of shares during the period	1,999,998	-	1,999,998
Total comprehensive loss for the period	-	(2,461,510)	(2,461,510)
At 31 December 2016	<u>2,000,000</u>	<u>(2,461,510)</u>	<u>(461,510)</u>

The accompanying notes form an integral part of the financial statements.

**A2A GLOBAL NETWORK SDN. BHD.**

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**STATEMENT OF CASH FLOWS**  
**for the period from 16 December 2015,**  
**the date of incorporation to 31 December 2016**

	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Loss before taxation	(2,461,510)
<i>Adjustment for:</i>	
Depreciation	<u>144,188</u>
<i>Operating loss before working capital changes</i>	(2,317,322)
Increase in receivables	(33,450)
Increase in payables	<u>4,972,597</u>
<i>Net cash generated from operating activities</i>	<u>2,621,825</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	<u>(720,940)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Proceeds from issuance of share capital	<u>2,000,000</u>
<i>Net increase in cash and cash equivalents</i>	<u>3,900,885</u>
<i>Cash and cash equivalents at end of period</i>	<u><u>3,900,885</u></u>
<b>Cash and cash equivalents comprise:</b>	
Bank balances	<u><u>3,900,885</u></u>

The accompanying notes form an integral part of the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS - 31 December 2016**

**1. GENERAL INFORMATION**

The company is a private limited company, incorporated and domiciled in Malaysia. The address of the registered office of the company is No. 6-1, Jalan Angsana 2, Taman Bukit Angsana, 56000 Cheras, Kuala Lumpur.

The principal activities of the company are retail sales of any kinds of products by direct selling or e-commerce platform, data technology solutions and other related services. The address of the principal place of business of the company is Block 6-05-01, Level 5, VSQ @ PJ City Center, Jalan Utara, 46200 Petaling Jaya, Selangor.

**2. FUNDAMENTAL ACCOUNTING CONCEPT**

The company incurred net loss of RM2,461,510 during the financial period and as at 31 December 2016, the company's current and total liabilities exceeded its current and total assets by RM1,038,262 and RM461,510 respectively. These indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. However, the financial statements have been prepared under the going concern concept as the shareholders of the company have agreed to provide adequate financial support to the company to enable it to meet its obligations as and when they fall due. Should the going concern basis of preparing the financial statements be no longer appropriate, adjustments would have to be made to reduce the value of all assets to their carrying values and to provide further estimated liabilities which may arise.

**3. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

(a) Basis Of Preparation

The financial statements have been prepared in accordance with the Malaysian Private Entities Reporting Standard ("MPERS") and the requirements of the Companies Act, 1965 in Malaysia.

(i) *MPERS Framework*

The company has adopted the MPERS Framework since the date of incorporation.

(ii) *Early Adoption Of The Amendments To MPERS*

In October 2015, the Malaysian Accounting Standards Board issued Amendments to MPERS that are effective for financial statements beginning on or after 1 January 2017, with early application permitted. The company has opted to early apply the Amendments for the current period ended 31 December 2016. The early adoption of the Amendments to MPERS has no effect on the financial statements of the company for the current period ended 31 December 2016.

The financial statements, which are presented in Ringgit Malaysia (“RM”) have been prepared on the historical cost basis, except as disclosed in the accounting policies as set out below:

(b) Property, Plant And Equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. After recognition as an asset, an item of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method so as to write off the depreciable amount of the following assets over their estimated useful lives, as follows:

	%
Computer and software	20
Furniture and fittings	20
Office equipment	20
Renovation	20

Depreciation of an asset begins when it is ready for its intended use.

If there is an indication of a significant change in factors affecting the residual value, useful life or asset consumption pattern since the last annual reporting date, the residual values, depreciation method and useful lives of depreciable assets are reviewed, and adjusted prospectively.

The carrying amounts of items of property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss arising from the derecognition of items of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the item, is recognised in profit or loss.

(c) Impairment Of Assets, Other Than Inventories And Financial Assets

At these reporting date, the company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset is estimated.

When there is an indication that an asset may be impaired but it is not possible to estimate the recoverable amount of the individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset and a cash-generating unit is the higher of the fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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If the recoverable amount of an asset or a cash-generating unit is less than the carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each appropriate asset in the cash-generating unit. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at a revalued amount, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior periods for an asset or the appropriate assets of a cash-generating unit is reversed when there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised in prior periods. A reversal of an impairment loss is recognised immediately in profit or loss, unless the asset is carried at revalued amount, in which case it is treated as a revaluation increase.

(d) Functional Currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the company (the "functional currency"). The financial statements are presented in ("RM"), which is the functional currency of the company.

(e) Financial Assets

Financial assets are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets are measured at transaction price, include transaction costs for financial assets not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the counterparty to the arrangement.

After initial recognition, financial assets are classified into one of three categories: financial assets measured at fair value through profit or loss, financial assets that are debt instruments measured at amortised cost, and financial assets that are equity instruments measured at cost less impairment.

(i) *Financial Assets At Fair Value Through Profit Or Loss*

Financial assets are classified as at fair value through profit or loss when the financial assets are within the scope of Section 12 of the MPERS or if the financial assets are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

Changes in fair value are recognised in profit or loss.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the

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cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) *Financial Assets That Are Debt Instruments Measured At Amortised Cost*

After initial recognition, debt instruments are measured at amortised cost using the effective interest method. Debt instruments that are classified as current assets are measured at the undiscounted amount of the cash or other consideration expected to be received.

Effective interest method is a method of calculating the amortised cost of financial assets and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash receipts through the expected life of the financial assets or, when appropriate, a shorter period, to the carrying amount of the financial assets.

(iii) *Financial Assets That Are Equity Instruments Measured At Cost Less Impairment*

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably without undue cost or effort, and contracts linked to such instruments that, if exercised, will result in delivery of such instruments, are measured at cost less impairment.

Impairment Of Financial Assets

At the end of the reporting period, the company assesses whether there is any objective evidence that financial assets that are measured at cost or amortised cost, are impaired

Objective evidences could include:

- significant financial difficulty of the issuer; or
- a breach of contract; or
- the lender granting to the borrower a concession that the lender would not otherwise consider; or
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from the financial assets since the initial recognition of those assets.

For certain category of financial assets, such as trade receivables, if it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the assets are included in a group with similar credit risk characteristics and collectively assessed for impairment.

Impairment losses, in respect of financial assets measured at amortised cost, are measured as the differences between the assets' carrying amounts and the present values of their estimated cash flows discounted at the assets' original effective interest rate.

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If there is objective evidence that impairment losses have been incurred on financial assets measured at cost less impairment, the amount of impairment losses are measured as the difference between the asset's carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date.

The carrying amounts of the financial assets are reduced directly, except for the carrying amounts of trade receivables which are reduced through the use of an allowance account. Any impairment loss is recognised in profit or loss immediately. If, in subsequent period, the amount of an impairment loss decreases, the previously recognised impairment losses are reversed directly, except for the amounts related to trade receivables which are reversed to write back the amount previously provided in the allowance account. The reversal is recognised in profit or loss immediately.

#### Derecognition Of Financial Assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are settled, or the company transfers to another party substantially all of the risks and rewards of ownership of the financial assets.

On derecognition of financial assets in their entirety, the differences between the carrying amounts and the sum of the consideration received and any cumulative gains or losses are recognised in profit or loss in the period of the transfer.

#### (f) Equity Instruments

Ordinary shares are classified as equity.

Equity instruments are any contracts that evidence a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company, other than those issued as part of a business combination or those accounted for in paragraph 22.15A to 22.15B of Section 22 of MPERS, are measured at the fair value of the cash or other resources received or receivable, net of transaction costs. If payment is deferred and the time value of money is material, the initial measurement shall be on a present value basis.

The company accounts for the transaction costs of an equity as a deduction from equity. Income tax relating to the transaction costs is accounted for in accordance with Section 29 of the MPERS. Distributions to owners are deducted from the equity. Related income tax is accounted for in accordance with Section 29 of the MPERS.

#### (g) Financial Liabilities

Financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial liabilities are measured at transaction price, include transaction costs for financial liabilities not measured at fair value through profit or loss, unless the arrangement constitutes, in effect, a financing transaction for the company to the arrangement.

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After initial recognition, financial liabilities are classified into one of three categories: financial liabilities measured at fair value through profit or loss, financial liabilities measured at amortised cost, or loan commitments measured at cost less impairment.

(i) *Financial Liabilities Measured At Fair Value Through Profit Or Loss*

Financial liabilities are classified as at fair value through profit or loss when the financial liabilities are within the scope of Section 12 of the MPERS or if the financial liabilities are publicly traded or their fair value can otherwise be measured reliably without undue cost or effort.

If a reliable measure of fair value is no longer available for an equity instrument that is not publicly traded but is measured at fair value through profit or loss, its fair value at the last date that instrument was reliably measurable is treated as the cost of the instrument, and it is measured at this cost amount less impairment until a reliable measure of fair value becomes available.

(ii) *Financial Liabilities Measured At Amortised Cost*

After initial recognition, financial liabilities other than financial liabilities at fair value through profit or loss are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the financial liabilities are derecognised or impaired.

Effective interest method is a method of calculating the amortised cost of financial liabilities and of allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimate future cash payments through the expected life of the financial liabilities or, when appropriate, a shorter period, to the carrying amount of the financial liabilities.

(iii) *Loan Commitments Measured At Cost Less Impairment*

Commitments to receive loan that meet the conditions of Section 11 of the MPERS are measured at cost less impairment.

*Derecognition Of Financial Liabilities*

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Any difference between the carrying amounts of the financial liabilities derecognised and the consideration paid is recognised in profit or loss.

(h) Provisions

A provision is recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties are taken into account in reaching the best estimate of a provision. When the effect of the time value of money is material, the amount recognised in respect of the provision is the present value of the expenditure expected to be required to settle the obligation.

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HEW CHEE PAU (MIA 21967)  
COMPANY SECRETARY(i) Revenue Recognition

Revenue is recognised when goods are delivered and services are performed.

(j) Income Tax Expense

Income taxes for the year comprise current and deferred tax.

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

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

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

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax 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 is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs. The carrying amounts of deferred tax assets are reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

(k) Employee Benefits(i) Short Term Employee Benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the company.

Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonuses are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

(ii) Defined Contribution Plan

The company makes contributions to a statutory provident fund and recognises the contribution payable after deducting contributions already paid as a liability and as an expense in the financial period in which the employees render their services.

(i) Cash And Cash Equivalents

Cash comprises cash and bank balances including bank overdrafts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

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### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

#### Depreciation Of Property, Plant And Equipment

The estimates for residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' action in response to the market conditions.

The company anticipates that the residual values of its equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amount of the property, plant and equipment is disclosed in *Note 4*.

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**4. PROPERTY, PLANT AND EQUIPMENT**

The details of property, plant and equipment are as follows:

	Computer and software	Furniture and fittings	Office equipment	Renovation	Total
	RM	RM	RM	RM	RM
<i>Cost</i>					
At incorporation	-	-	-	-	-
Additions	359,864	14,170	18,746	328,160	720,940
At 31 December 2016	359,864	14,170	18,746	328,160	720,940
<i>Accumulated depreciation</i>					
At incorporation	-	-	-	-	-
Charge for the period	71,973	2,834	3,749	65,632	144,188
At 31 December 2016	71,973	2,834	3,749	65,632	144,188
<i>Net carrying amount</i>					
At 31 December 2016	287,891	11,336	14,997	262,528	576,752

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**5. OTHER ASSETS**

	RM
Deposits	<u>33,450</u>

**6. SHARE CAPITAL**

	Number of ordinary	RM
Ordinary shares of RM1 each:		
Authorised	<u>5,000,000</u>	<u>5,000,000</u>
Issued and fully paid	<u>2,000,000</u>	<u>2,000,000</u>

During the financial period, the company has issued the following shares:

Date of Issue	Purpose of Issue	Number of Shares Issued	Class of Share	Term of Issue
16.12.2015	Subscribers' shares	2	Ordinary	At par
22.03.2016	Working capital	1,999,998	Ordinary	At par

The holders of the ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the company's residual assets.

**7. OTHER PAYABLES**

	RM
Other payables	<u>4,967,597</u>

**8. OTHER LIABILITIES**

	RM
Accruals	<u>5,000</u>

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**9. REVENUE**

Revenue represents the invoiced value of goods sold and services rendered, net of discounts.

**10. EMPLOYEE BENEFIT EXPENSES**

	RM
Salaries, wages and overtime	549,732
Defined contribution plan	75,824
Other employee benefit expenses	<u>313,174</u>
	<u>938,730</u>
Included in employee benefit expenses are:	
Directors' remuneration:	
- other emoluments	<u>201,600</u>

**11. LOSS BEFORE TAXATION**

	RM
Loss before taxation is stated <i>after charging</i> :	
Auditors' remuneration	6,000
Depreciation	144,188
Rental of equipment	2,000
Rental of office	123,166
Rental of photostat machine	870
Rental of venue	<u>7,038</u>

**12. INCOME TAX EXPENSE**

	RM
Current income tax:	
- current period's	<u>-</u>

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

	RM	
Loss before taxation	<u>(2,461,510)</u>	
Income tax expense at Malaysian statutory tax rate of 24%	(590,762)	
• Adjustments for the following tax effects:		
- expenses not deductible for tax purposes	<table border="1"><tr><td style="text-align: right;">43,223</td></tr></table>	43,223
43,223		
- deferred tax assets not recognised during the period	<table border="1"><tr><td style="text-align: right;">547,539</td></tr></table>	547,539
547,539		
	<u>590,762</u>	
	<u>-</u>	

The amounts of temporary differences for which no deferred tax assets have been recognised in the statement of financial position are as follows:

	RM
Excess of capital allowance claimed over corresponding accumulated depreciation	(301,321)
Unabsorbed capital allowances	379,877
Unutilised business losses	<u>2,202,856</u>
	<u>2,281,412</u>

### 13. COMPARATIVE FIGURES

No comparative figures are available as this is the first set of financial statements of the company.

### 14. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 1 June 2017 by the Board of Directors.

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COMPANY SECRETARY

**A2A GLOBAL NETWORK SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS  
for the period from 16 December 2015,  
the date of incorporation to 31 December 2016**

	RM
REVENUE	744,786
<u>Less: COST OF SERVICES</u>	
Purchases	139,347
GROSS PROFIT	605,439
<u>Add: OTHER OPERATING INCOME</u>	
Adminstration charges	1,568
	<u>607,007</u>
<u>Less: OPERATING EXPENSES</u>	
Accounting fees	25,353
Advertisement	40,179
Auditors' remuneration	6,000
Bank charges	12,247
Bonus	54,133
Commission	185,103
Consultancy fees	270,000
Depreciation	144,188
Directors' remuneration - other emoluments	201,600
Electricity and water	11,922
Entertainment	7,835
EPF contribution	54,224
Event expenses	93,303
Gift and donation	10,800
Incorporation fee	9,830
Insurance	45,008
License fees	40,500
Medical fee	2,562
Petrol, toll and parking	898
Postage and courier	5,226
Printing and stationery	99,013
Professional fees	664,775
Recruitment fees	54,440
Rental of equipment	2,000
Rental of office	123,166

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**A2A GLOBAL NETWORK SDN. BHD.**

(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS  
for the period from 16 December 2015,  
the date of incorporation to 31 December 2016**

	RM
Rental of photostat machine	870
Rental of venue	7,038
Salaries	369,732
Secretarial and filing fees	3,638
SOCSSO contributions	5,759
Staff training	111,058
Staff welfare	8,692
Stamp duty	1,780
Telephone and fax charges	13,114
Trademark expenses	57,748
Training fees	23,100
Travelling expenses	269,969
Upkeep of office equipment	31,714
	<hr/>
	3,068,517
	<hr/>
LOSS BEFORE TAXATION	<u>(2,461,510)</u>

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