

APPXPLORE SDN. BHD.

Company No. : 926043 -M
(Incorporated in Malaysia)

Directors' Report & Audited Financial Statements

31 December 2014

APPXPLORE SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS
31 DECEMBER 2014

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DIRECTORS' REPORT

The Directors present their report together with the audited financial statements of the Company for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITY

The Company is principally engaged in design and development of intellectual properties for software applications and games.

There have been no significant change in the nature of this activity during the financial year under review.

RESULTS

	RM
Loss for the year	<u>86,497</u>

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

In the opinion of the Directors, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The Directors do not recommend any final dividend for the financial year ended 31 December 2014.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has not issued any shares and debentures.

DIRECTORS

The Directors in office since the date of last report and at the date of this report are:

Lai Ming Lian	(Resigned on 26.09.2014)
Tan Ken	(Resigned on 26.09.2014)
Lau Kin Wai	(Appointed on 26.09.2014)
Lee Choy Tze	(Appointed on 26.09.2014)

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DIRECTORS' REPORT (CONT'D)

Neither at the end of the financial year, nor at any time during that year, did there subsists any arrangement, to which the Company is a party, whereby the Directors might acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

According to the Register of Directors' Shareholding, the interests of Directors in office at the end of the financial year in shares of the Company and its related corporation are as follows:

	Number of Ordinary Shares			
	As at	During the period		As at
	01/01/2014	Bought	Sold	31/12/2014
THE COMPANY				
<i>Direct interest</i>				
Lai Ming Lian	35,000	-	23,000	12,000
Tan Ken	35,000	-	23,000	12,000
Lau Kin Wai	15,000	-	2,500	12,500
Lee Choy Tze	15,000	-	2,500	12,500

	Number of Ordinary Shares			
	As at	During the period		As at
	01/01/2014	Bought	Sold	31/12/2014
ULTIMATE HOLDING COMPANY				
Fatfish Internet Group Limited				
<i>Direct interest</i>				
Lau Kin Wai	15,209,609	-	-	15,209,609

By virtue of his interests in the holding company, Fafish Internet Group Limited, Lau Kin Wai are deemed to be interested in shares of the Company and all the subsidiaries of the holding company.

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit, other than those disclosed as Directors' remuneration in the financial statements or those entered in the normal course of business, by reason of a contract made by the Company or a related corporation with any 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 required to be disclosed by Section 169(8) of the Companies Act, 1965.

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OTHER STATUTORY INFORMATION

- (a) Before the statement of comprehensive income and statement of financial position of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and had satisfied themselves that there was no known bad debts and that adequate provision had been made for doubtful debt; and
 - (ii) to ensure that any current assets which were unlikely to realise their book values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of provision for doubtful debts inadequate to any substantial extent; and
 - (ii) the values attributable to current assets in the financial statements of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Company to meet its obligations as and when they fall due; and

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OTHER STATUTORY INFORMATION (CONT'D)

(f) In the opinion of the Directors: (Cont'd)

- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial year in which this report is made.

IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The Company regards High Joyful International Limited, a company incorporated in British Virgin Islands as the immediate holding company and Fatfish Internet Group Limited, a company incorporated in Australia and listed on the Australian Securities Exchange as the ultimate holding company.

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DIRECTORS' REPORT (CONT'D)

INDEPENDENT AUDITORS

The independent auditors, TY Teoh International, have expressed their willingness to accept re-appointment as auditors.

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



LAU KIN WAI
Director



LEE CHOY TZE
Director

Petaling Jaya, Malaysia.

Dated : 03 MAR 2015

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STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act, 1965.

We, LAU KIN WAI and LEE CHOY TZE, being the two Directors of APPXPLORE SDN. BHD., do hereby state that in our opinion, the financial statements set out on pages 10 to 35 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia, so as to give a true and fair view of:

- (i) the state of affairs of the Company as at 31 December 2014 and of the results of the Company for the year ended on that date; and
- (ii) the cash flows of the Company for the year ended 31 December 2014.

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



LAU KIN WAI
Director
Petaling Jaya, Malaysia.

Dated : 03 MAR 2015



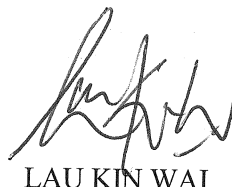
LEE CHOY TZE
Director

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act, 1965.

I, LAU KIN WAI, being the Director primarily responsible for the financial management of APPXPLORE SDN. BHD., do hereby solemnly and sincerely declare that the financial statements set out on pages 10 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 the)
abovenamed LAU KIN WAI at Petaling Jaya)
in the State of Selangor on 03 MAR 2015)


LAU KIN WAI

Before me,



59, Komplek C,
Emporium Mekan MBPJ
Jalan Sultan, 46200 Petaling Jaya
Selangor



TY TE OH INTERNATIONAL 迪威
Strength Beyond Figures™

TY TE OH INTERNATIONAL (AF 1460)
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APPXPLORE SDN. BHD.
Company No.: 926043-M
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Report on the Financial Statements

We have audited the financial statements of Appxplore Sdn. Bhd., which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 35.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APPXPLORE SDN. BHD. (CONT'D)**

**Company No.: 926043-M
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Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2014 and of its financial performance and cash flows for the year then ended.

The financial statements for the year ended 31 December 2013 were audited by another auditor whose report dated 6 June 2014 expressed an unqualified opinion on those statements.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2 in the financial statements. The Company incurred a loss of RM86,497 during the year ended 31 December 2014, and, of that date, the Company's current liabilities exceeded its current assets by RM 637,809 and its total liabilities exceeded its total assets by RM 601,806. However, the financial statements have been prepared on the basis that the Company is a going concern as the corporate shareholder has given written confirmation of its continual financial support for the Company.

Report on Other Legal and Regulatory Requirements

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

Other Matters

1. As stated in Note 2(a) to the financial statements, the Company adopted Malaysian Financial Reporting Standards on 1 January 2014 with a transition date of 1 January 2013. These standards were applied retrospectively by Directors to the comparative information in these financial statements, including the statement of financial position as at 31 December 2013 and 1 January 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2013 and related disclosures. We were not engaged to report on the restated comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Company for the year ended 31 December 2013 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2013 do not contain misstatements that materially affect the financial position as of 31 December 2013 and financial performance and cash flows for the year then ended.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
APPXPLORE SDN. BHD. (CONT'D)**


**Company No.: 926043-M
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Other Matters (Cont'd)

2. 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.


TY Teoh International
Audit Firm No.: AF 1460
Chartered Accountants

Petaling Jaya, Malaysia.
Dated : 03 MAR 2015


Teoh Toh Yeap
No. 2329/09/16 (J)
Chartered Accountant

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APPXPLORE SDN. BHD.
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
ASSET				
Non-current Asset				
Property, plant and equipment	4	36,003	25,503	21,609
Current Assets				
Trade and other receivables	5	33,682	67,980	16,669
Bank balances	6	65,923	128,538	32,847
		<u>99,605</u>	<u>196,518</u>	<u>49,516</u>
Total assets		<u><u>135,608</u></u>	<u><u>222,021</u></u>	<u><u>71,125</u></u>
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	7	100,000	100,000	100,000
Accumulated losses		<u>(701,806)</u>	<u>(615,309)</u>	<u>(508,617)</u>
Total equity		<u>(601,806)</u>	<u>(515,309)</u>	<u>(408,617)</u>
Current Liabilities				
Other payables and accruals	8	337,860	23,469	11,890
Amount due to Directors	9	6,786	713,861	467,852
Amount due to holding company	10	392,768	-	-
		<u>737,414</u>	<u>737,330</u>	<u>479,742</u>
Total equity and liabilities		<u><u>135,608</u></u>	<u><u>222,021</u></u>	<u><u>71,125</u></u>

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

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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 RM	2013 RM
Revenue	11	535,651	441,589
Cost of sales		<u>(43,937)</u>	<u>(59,671)</u>
Gross profit		491,714	381,918
Other operating income	12	9,403	2,220
Administration expenses		<u>(587,614)</u>	<u>(490,830)</u>
Loss before taxation	13	<u>(86,497)</u>	<u>(106,692)</u>
Taxation	14	<u>-</u>	<u>-</u>
Loss for the year		<u>(86,497)</u>	<u>(106,692)</u>
Other comprehensive income after tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>(86,497)</u></u>	<u><u>(106,692)</u></u>

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

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Share capital RM	Accumulated losses RM	Total RM
At 01 January 2013	100,000	(508,617)	(408,617)
Total comprehensive income for the year	<u>-</u>	<u>(106,692)</u>	<u>(106,692)</u>
At 31 December 2013	100,000	(615,309)	(515,309)
Total comprehensive income for the year	<u>-</u>	<u>(86,497)</u>	<u>(86,497)</u>
At 31 December 2014	<u>100,000</u>	<u>(701,806)</u>	<u>(601,806)</u>

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

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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	2014 RM	2013 RM
Cash flows from operating activities		
Loss before taxation	(86,497)	(106,692)
Adjustments for :		
Depreciation on property, plant and equipment	14,940	9,852
Interest income	(445)	(2,220)
Provision for impairment on receivables - trade	6,075	-
Unrealised loss on foreign currency exchange differences - non trade	14,289	-
Operating loss before working capital changes	(51,638)	(99,060)
Decrease / (Increase) in trade and other receivables	28,223	(51,311)
Increase in trade and other payables	314,391	11,579
(Decrease) / Increase amount due to Director	(707,075)	246,009
Increase in amount due to holding company	378,479	-
<i>Net cash (used in) / generated from operating activities</i>	<u>(37,620)</u>	<u>107,217</u>
Interest received	445	2,220
<i>Net (used in) / generated from from operating activities</i>	<u>(37,175)</u>	<u>109,437</u>
Cash flows from investing activity		
Purchase of property, plant and equipment	<u>(25,440)</u>	<u>(13,746)</u>
<i>Net cash used in investing activity</i>	<u>(25,440)</u>	<u>(13,746)</u>
Net (decrease) / increase in cash and cash equivalents	(62,615)	95,691
Cash and cash equivalents at beginning of year	<u>128,538</u>	<u>32,847</u>
Cash and cash equivalents at end of year	<u><u>65,923</u></u>	<u><u>128,538</u></u>
Cash and cash equivalents comprise:		
Bank balances	<u><u>65,923</u></u>	<u><u>128,538</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

1. CORPORATE INFORMATION

The Company is incorporated as a private limited liability company and domiciled in Malaysia.

The registered office is located at No. 11B-5, Level 5, Block F1, Jalan PJU 1/42, Dataran Prima, 47301 Petaling Jaya. The principal place of business is located at 3-13, Pusat Perdagangan D7, 800 Jalan Sentul, 51000 Kuala Lumpur.

The Company is principally engaged in design and development of intellectual properties for applications and games. There have been no significant changes in the nature of these activities during the financial year under review.

The financial statements were authorised for issued by the Board of Directors in accordance with a resolution of the Directors on 03 March 2015.

2. GOING CONCERN BASIS

The Company incurred a loss of RM86,497 during the year ended 31 December 2014, and, of that date, the Company's current liabilities exceeded its current assets by RM 637,809 and its total liabilities exceeded its total assets by RM 601,806. However, the financial statements have been prepared on the basis that the Company is a going concern as the corporate shareholder has given written confirmation of its continual financial support for the Company.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new and revised MFRS which are mandatory for financial periods beginning on or after 1 January 2014 as described fully in Note 3 (b).

For all periods up to and including the year ended 31 December 2013, the Company prepared its financial statements in accordance with Private Entity Reporting Standards in Malaysia ("PERS"). These financial statements for the year ended 31 December 2014 are the first that the Company has prepared in accordance with MFRS and MFRS1: First-Time Adoption of Malaysian Financial Reporting Standards has been applied.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

In preparing its opening MFRS Statement of Financial Position as at 1 January 2013 (which is also the date of transition), the Company has not adjusted the amounts previously reported in financial statements prepared in accordance with PERS as the adoption of the MFRS did not have a material impact on the financial statements.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with MFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and area involving a high degree of judgements are described below:

(i) Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(ii) Impairment loss on receivables

Allowances for bad and doubtful debts are based on an assessment of the recoverability of trade and other receivables. Allowances are applied to trade and other receivables where event or changes in circumstances indicate that the balances may not be collectable. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the expected outcome is different from the original estimate, such difference will impact carrying value of trade and other receivables and doubtful debt expenses in the period in which such estimate has been changed.

(iii) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

(iv) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 years. The net carrying amount of the Company's property, plant and equipment as at 31 December 2014 is RM 36,003. Changes in the expected level of usage and technological development,s could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements (Cont'd)

(v) Impairment of property, plant and equipment

The Company reviews the carrying amounts of the property, plant and equipment as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment, require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets. The preparations of the estimated future cash flows involve significant judgment and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

(b) Interpretation and amendments to published standards effective in 2014

On 1 January 2014, the Company adopted the new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 January 2014.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 10, MFRS 12 and MFRS 127: Investment Entities	1 January 2014
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to MFRS 136: Recoverable Amount Disclosures for Non- Financial Assets	1 January 2014
Amendments to MFRS 139: Novation of Derivaties and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21: Levies	1 January 2014

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Standards, amendments and interpretations issued but not yet effective

The Company has not adopted the following standards, amendments and interpretations that have been issued but not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 119: Defined Benefit Plans: Employee Contribution	1 July 2014
Annual Improvements to MFRSs 2010-2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 127 : Equity method in Separate Financial Statements	1 January 2016
Amendments to MFRS 10 and MFRS 128 : Sale or Contribution of Assets Between an investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarifications of Acceptable Methods of Depreciation and Amortisations	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture: Bearer Plants	1 January 2016
Annual improvements to MFRS 2012 - 2014 Cycle	1 January 2016
MFRS 14: Regulatory Deferral Accounts	1 January 2016
MFRS 15: Revenue from Contracts with Customers	1 January 2017
MFRS 9: Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2018

The Directors are of the opinion that the standards and interpretations above will have no material impact on the financial statements in the year of initial adoption.

(d) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Property, Plant and Equipment and Depreciation

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

Depreciation on property, plant and equipment is calculated on a straight-line method to write off the cost of property, plant and equipment over the estimated useful lives at the following annual rates:

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

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and the net carrying amount is recognised in the statement of comprehensive income.

The cost of property, plant and equipment includes its purchases price and any cost that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The carrying amount of property, plant and equipment are reviewed yearly in order to assess whether their carrying amount need to be written down to recoverable amounts. Recoverable amount is defined as the higher of value in use and net selling price.

Fully depreciated assets are retained in the books of accounts until they are no longer in use.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(g) Financial Liabilities

The Company's financial liabilities recognised in the statement of financial position are other payables.

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument. All interest related charges is recognised as an expense in "finance cost" in the statement of comprehensive income.

Payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(h) Financial Assets

Financial assets, other than bank balances and hedging instruments, can be divided into the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the assets were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit and loss is not revocable.

All financial assets are recognised on their trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. At the end of the reporting period, the Company carries only loan and receivables on its statement of financial position.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (Cont'd)

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Loans and receivables include trade and other receivables. They are initially recognised at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(i) Impairment of Financial Assets

The Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment of Non-Financial Assets

The carrying amount of the Company's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belongs will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever event or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss, if any, is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value in use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised, if any, may no longer exist.

An impairment loss is charged to the statement of comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

A reversal of an impairment loss is credited as income in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Income Tax

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

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

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of reporting year. Deferred tax is recognised in the statement of comprehensive income, 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.

(l) Provisions

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

The Directors review the provisions annually and where in their opinion, the provision is inadequate or excessive, due adjustment is made.

(m) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency that best reflects the economics substances of the underlying events and circumstances relevant to the Company ("the functional currency"). The financial statements of the Company are presented in Ringgit Malaysia, which is also the functional currency of the Company.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Conversion of Foreign Currencies

(i) Monetary items

Monetary assets and liabilities in foreign currencies are translated into Ringgit Malaysia at rates of exchange closely approximating those ruling at end of the reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are recorded in the statement of comprehensive income in the period in which they arise.

(ii) Non-monetary items

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates as the date when the fair value was determined.

(o) Financial Instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Disclosures on financial risk management are provided in Note 15.

(p) Related Parties

A party is considered to be related to the Company if:

- (i) The party, directly or indirectly through one or more intermediaries,
 - 1) controls, is controlled by, or is under common control with, the Company;
 - 2) has an interest in the Company that give it significant influence over the Company; or
 - 3) has joint control over the Company
- (ii) The party is an associate;

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Related Parties (Cont'd)

- (iii) The party is a jointly-controlled entity;
- (iv) The party is a member of the key management personnel of the Company or its parent;
- (v) The party is a close member of the family of any individual referred to in (i) or (iv); or
- (vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or
- (vii) The party is a post employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

(q) Employee Benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by the employees of the Company. Short term non-accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences and sick leave are recognised when absences occurred.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF") which is charged to statement of comprehensive incomes in the year to which they relate.

(r) Revenue Recognition

Revenue from the sale of goods is recognised upon passage of title to customers, which generally coincides with the delivery to and acceptance of the goods by the customers.

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4. PROPERTY, PLANT AND EQUIPMENT

Cost	Office equipment RM	Furniture and fittings RM	Renovation RM	Total RM
At January 2013	35,515	-	-	35,515
Addition	13,746	-	-	13,746
At December 2013	49,261	-	-	49,261
Addition	4,592	3,760	17,088	25,440
At December 2014	53,853	3,760	17,088	74,701
Accumulated depreciation				
At 1 January 2013	13,906	-	-	13,906
Charge for the year	9,852	-	-	9,852
At 31 December 2013	23,758	-	-	23,758
Charge for the year	10,771	752	3,417	14,940
At 31 December 2014	34,529	752	3,417	38,698
Net carrying amount				
At 31 December 2014	19,324	3,008	13,671	36,003
At 31 December 2013	25,503	-	-	25,503
At 1 January 2013	21,609	-	-	21,609

5. TRADE AND OTHER RECEIVABLES

	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
Trade receivables	29,957	66,075	14,764
Less : Provision for impairment on receivables	(6,075)	-	-
	23,882	66,075	14,764
Deposits	9,800	1,905	1,905
	33,682	67,980	16,669

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5. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade and other receivable are denominated in the following currencies:

	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
Ringgit Malaysia	9,800	1,905	1,905
United States Dollar	23,882	66,075	14,764
	<u>33,682</u>	<u>67,980</u>	<u>16,669</u>

The aging analysis of trade receivables is as follows:

	31.12.2014 RM	31.12.2013 RM
Not due and not impaired	23,882	66,075
Overdue and impaired	6,075	-
	<u>29,957</u>	<u>66,075</u>

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Company.

None of the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

The Company has no trade receivables that are past due at the reporting date but not impaired.

No impairment made as in the opinion of the management, the trade receivables are with good collection track record and no recent history of default.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2014

5. TRADE AND OTHER RECEIVABLES (CONT'D)

Trade receivables that are past due and impaired

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	31.12.2014 RM	31.12.2013 RM
Trade receivables - gross	6,075	-
Provision for impairment on receivables	(6,075)	-
	<u>-</u>	<u>-</u>
<u>Movement during the year</u>		
Balance at beginning of the year	-	-
Provision for impairment on receivables	(6,075)	-
Balance at end of the year	<u>(6,075)</u>	<u>-</u>

6. BANK BALANCES

Bank balances are denominated in the following currencies:

	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
Ringgit Malaysia	31,153	31,367	32,847
Singapore Dollar	34,770	89,402	-
Euro	-	7,769	-
	<u>65,923</u>	<u>128,538</u>	<u>32,847</u>

7. SHARE CAPITAL

	Number of Ordinary shares of RM 1 each			Amount		
	31.12.2014	31.12.2013	01.01.2013	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
Authorised:						
At beginning						
/ end of year	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

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7. SHARE CAPITAL (CONT'D)

	Number of Ordinary shares of RM 1 each			Amount		
	31.12.2014	31.12.2013	01.01.2013	31.12.2014	31.12.2013	01.01.2013
Issued and fully paid:						
At 1 January	100,000	100,000	100,000	100,000	100,000	100,000
Issued during the financial year	-	-	-	-	-	-
At 31 December	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regard to the Company's residual assets.

8. OTHER PAYABLES AND ACCRUALS

	31.12.2014 RM	31.12.2013 RM	01.01.2013 RM
Other payables			
- related parties	199,860	-	-
- third parties	-	11,766	687
Accruals	<u>138,000</u>	<u>11,703</u>	<u>11,203</u>
	<u>337,860</u>	<u>23,469</u>	<u>11,890</u>

The amount due to related parties is interest free, unsecured and is repayable on demand.

Other payables and accruals are denominated in Ringgit Malaysia.

9. AMOUNT DUE TO DIRECTORS

The amount due to Directors is unsecured, interest free, and is repayable on demand.

The amount due to Directors is denominated in Ringgit Malaysia.

10. AMOUNT DUE TO HOLDING COMPANY

The amount due to holding company is interest free, unsecured and is repayable on demand.

The amount due to holding company is denominated in Singapore Dollar.

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11. REVENUE

Revenue represents total income generated from sales of mobile game application.

12. OTHER OPERATING INCOME

	31.12.2014 RM	31.12.2013 RM
Realised gain on foreign currency exchange differences - trade	8,958	-
Interest income	445	2,220
	<u>9,403</u>	<u>2,220</u>

13. LOSS BEFORE TAXATION

	31.12.2014 RM	31.12.2013 RM
This is stated after charging / (crediting):		
Auditors' remuneration	3,000	2,500
Depreciation of property, plant and equipment	14,940	9,852
Director's remuneration		
- staff salaries and related costs	231,620	-
- EPF contribution	11,520	-
Staff cost (excluding Directors' remuneration)		
- staff salaries and related costs	252,681	452,079
- EPF contribution	21,179	47,657
Provision for impairment of trade receivables	6,075	-
Rental of office	6,623	4,122
Unrealised loss on foreign currency exchange differences - non - trade	<u>14,289</u>	<u>-</u>

14. TAXATION

	31.12.2014 RM	31.12.2013 RM
Malaysian taxation based on loss for the year :		
Income tax	<u>-</u>	<u>-</u>

Small and medium enterprise ("SME") in Malaysia with paid-up capital of RM2.5 million and below are subject to income tax rate of 20% on chargeable income of up to RM500,000. For chargeable income in excess of RM500,000, the corporate income tax rate is 25% for the year of assessment 2014.

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14. TAXATION (CONT'D)

With effect from year of assessment 2009, SME is defined as a company resident in Malaysia with paid-up capital of ordinary shares of RM2.5 million or less at the beginning of the basis period of a year of assessment whereby such company does not control or is controlled directly or indirectly by another company which has a paid-up capital of more than RM2.5 million in respect of ordinary shares. The Company does not qualify as a SME. The corporate income tax rate is 25%.

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 of the Company is as follow :

	31.12.2014 RM	31.12.2013 RM
Loss before taxation	<u>(86,497)</u>	<u>(106,692)</u>
Taxation at Malaysian statutory rate of 25%	(21,624)	(26,673)
Tax effect on non-deductible expenses	5,401	3,121
Deferred tax not recognised as temporary differences	<u>16,223</u>	<u>23,552</u>
	<u>-</u>	<u>-</u>

The potential deferred tax benefits from temporary differences which have not been recognised in the financial statements are as follows:

	31.12.2014 RM	31.12.2013 RM
Temporary differences on property, plant and equipment	5,192	6,376
Temporary differences on unabsorbed losses	(158,798)	(145,646)
Temporary differences on unutilised capital allowances	<u>(14,202)</u>	<u>(12,315)</u>
	<u>(167,808)</u>	<u>(151,585)</u>

The deferred tax asset has not been recognised as there was no reasonable certainty of their realisation in future profit.

The company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

The main risks arising from the Company's financial instruments are foreign currency exchange risk and liquidity risk.

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15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

15.1 Foreign currency exchange risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk on sales and borrowings that are denominated in a currency other than the respective functional currencies of the Company. The currencies giving rise to this risk are primarily U.S Dollar ("USD") and Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the SGD, USD and EURO exchange rates against RM, with all other variables held constant, of the Company's loss before tax.

		2014		2013	
		<u>RM</u>	<u>RM</u>	<u>RM</u>	<u>RM</u>
		Loss before	Equity	Loss before	Equity
		tax		tax	
SGD	- strengthened 1%	(3,580)	(3,580)	894	894
	- weakened 1%	3,580	3,580	(894)	(894)
USD	- strengthened 1%	239	239	661	661
	- weakened 1%	(239)	(239)	(661)	(661)
EURO	- strengthened 1%	-	-	78	78
	- weakened 1%	-	-	(78)	(78)

15.2 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company maintains sufficient level of cash and bank balances and continued financial support from the corporate shareholder to meet its working capital requirements.

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15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

15.2 Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year RM	Total RM
As at 31 December 2014		
Other payables and accruals	337,860	337,860
Amount due to Directors	6,786	6,786
Amount due to holding company	392,768	392,768
	<u>737,414</u>	<u>737,414</u>
As at 31 December 2013		
Other payables and accruals	23,469	23,469
Amount due to Directors	713,861	713,861
	<u>737,330</u>	<u>737,330</u>

15.3 Fair values

The fair value of a financial instrument is the amount at which the instrument can be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amount of cash and bank balances, current trade and other receivables and current trade and other payables reasonably approximate their fair values because these are mostly short term in nature or are repriced frequently.

Fair value of financial instruments

Set out below is a comparison by category of carrying amount of all the Company's financial instruments that are carried in the financial statements:

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15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

15.3 Fair values (Cont'd)

	Loans and receivables	
	RM	RM
	31.12.2014	31.12.2013
Financial assets		
Trade receivables	23,882	66,075
Deposits	9,800	1,905
Bank balances	65,923	128,538
	<u>99,605</u>	<u>196,518</u>
	Financial liabilities at amortised cost	
	RM	RM
	31.12.2014	31.12.2013
Financial liabilities		
Other payables and accruals	337,860	23,469
Amount due to Directors	6,786	713,861
Amount due to holding company	392,768	-
	<u>737,414</u>	<u>737,330</u>

16. OPERATING LEASE COMMITMENTS

Lessee

At the reporting date, the total future minimum lease payments under non-cancellable operating lease are as follows:

	31.12.2014	31.12.2013
	RM	RM
Not later than one year	18,000	-
Later than one year and not later than five years	15,000	-
	<u>33,000</u>	<u>-</u>

17. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

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17. CAPITAL MANAGEMENT (CONT'D)

The Company actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Company currently does not adopt any formal dividend policy.

There were no changes in the Company's approach to capital management during the financial year.

The Company is not subject to externally imposed capital requirement.

18. RELATED PARTY DISCLOSURE

- (a) Other than the related party information disclosed elsewhere in the financial statements, the Company had the following transaction with related party during the financial year.

	31.12.2014	31.12.2013
	RM	RM
<u>Non-Trade</u>		
<u>Holding Company Fatfish Internet Pte Ltd</u>		
Advance during the year	528,479	-

- (b) Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company.

The following being compensation to key management personnel during the financial year.

	31.12.2014	31.12.2013
	RM	RM
<u>Key management personnel</u>		
<u>Director</u>		
Remuneration	24,140	-
	24,140	-

19. SIGNIFICANT EVENT

On 11 of September 2014, a shares sales agreement has been sign by the Company and High Joyful International Limited (HJIL), a company incorporated in British Virgin Islands. Based on the agreement, HJIL will acquire 75% of the total shares of Appxplore Sdn. Bhd. with a cash consideration of RM 550,001. As of 31 December 2014, the total shares transfered to HJIL was only 51% with consideration of RM250,001. The balance of 24% will be transferred to HJIL within 6 months from signing the agreement and upon receipt of the balance of payment.