

Company No: 926043-M

APPXPLORE SDN. BHD.
(Incorporated in Malaysia)

**REPORTS AND
FINANCIAL STATEMENTS
31 DECEMBER 2013**

APPXPLORE SDN. BHD.
(Incorporated in Malaysia)

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APPXPLORE SDN. BHD.
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CORPORATE INFORMATION

BOARD OF DIRECTORS	-	Ms Lai Ming Lian Mr Tan Ken
SECRETARY	-	Mdm Bong Kwee Fah
AUDITORS	-	W. F. Yong & Co. Chartered Accountants
PRINCIPAL BANKER	-	Standard Chartered Bank Malaysia Berhad
REGISTERED OFFICE	-	No. 11B-5, Jalan PJU 1/42 Dataran Prima 47301 Petaling Jaya
PRINCIPAL PLACE OF BUSINESS	-	Suite 1B-3-1, Level 3 Block 1B, Plaza Sentral 50470 Kuala Lumpur

APPXPLORE SDN. BHD.
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby present their report together with the audited financial statements of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The principal activities of the Company are those of 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.

RESULTS

RM

Net loss for the year

(106,692)
=====

In the opinion of the directors, the results of the operations of the Company during the financial year have not been 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 dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

DIRECTORS

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

LAI MING LIAN (F)		
TAN KEN	-	APPOINTED ON 18.9.2013
LIM CHIAU CHING (F)	-	RESIGNED ON 18.9.2013

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

The following directors who held office at the end of the financial year had according to the register required to be kept under Section 134 of the Companies Act 1965, an interest in shares of the Company as stated below:-

NUMBER OF ORDINARY SHARES OF RM1 EACH

Name of Directors	At 1.1.2013	Bought	Sold	At 31.12.2013
LAI MING LIAN (F)	50,000	-	15,000	35,000
TAN KEN	-	35,000	-	35,000

Since the end of the previous financial period, no director has received or become entitled to receive any benefits by reason of a contract made by the Company 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 required to be disclosed by Section 169(8) of the Companies Act 1965.

ISSUE OF SHARES AND DEBENTURES

The Company did not issue any new shares or debentures during the financial year.

OTHER STATUTORY INFORMATION

- (a) Before the income statement and balance sheet of the Company were made up, the directors took reasonable steps:-
- to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts and that no provision for doubtful debts was necessary; and
 - to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business were 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) the necessity to write off any debts or to make provision for doubtful debts; and
 - (ii) the values attributed 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 render adherence to the existing methods 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 liabilities in respect of the Company which have arisen since the end of the financial year.
- (f) In the opinion of the directors:-
 - (i) no contingent liability 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
 - (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.

Company No: 926043-M

AUDITORS

The auditors, W.F. Yong & Co., Chartered Accountants, have expressed their willingness to continue in office.

On Behalf Of The Board


LAI MING LIAN


TAN KEN

KUALA LUMPUR


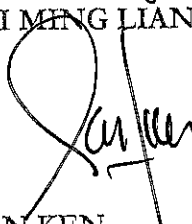
06 JUN 2014

APPXPLORE SDN. BHD.
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STATEMENT BY DIRECTORS

We, the undersigned, being two of the directors of the Company, state that, in the opinion of the directors, the financial statements set out on pages 10 to 16 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 December 2013 and of the results and the cash flows of the Company for the financial year ended on that date in accordance with MASB Private Entity Reporting Standards and the Companies Act 1965 in Malaysia.

On Behalf Of The Board


LAI MING LIAN

TAN KEN

KUALA LUMPUR
06 JUN 2014

STATUTORY DECLARATION

I, the undersigned, being the director primarily responsible for the financial management of the Company, do solemnly and sincerely declare that the financial statements set out on pages 10 to 16 are in my opinion 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
at Petaling Jaya in Selangor Darul
Ehsan on 06 JUN 2014

Before me




LAI MING LIAN

3-1, Block E2, Jalan PJU 1/42A,
Dataran Prima, 47301 Petaling Jaya 7
Selangor Darul Ehsan

Company No: 926043-M

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

APPXPLORE SDN. BHD.
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REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the Company, which comprise the balance sheet as at 31 December 2013, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 16.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the 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 accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with MASB Private Entity Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements. As at 31 December 2013, the Company has a capital deficiency of RM515,309 as a result of losses sustained to that date. The ability of the Company to continue as a going concern is dependent upon future profitable operations and/or obtaining additional finance from the shareholders and/or other sources. The financial statements of the Company do not include any adjustments relating to amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

OTHER MATTERS

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



W.F. YONG & CO.
NO. AF: 0960
CHARTERED ACCOUNTANTS



YONG WENG FAI
NO. 1661/08/14 (J)
CHARTERED ACCOUNTANT

PETALING JAYA

06 JUN 2014

APPXPLORE SDN. BHD.
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BALANCE SHEET AS AT 31 DECEMBER 2013

	Note	2013 RM	2012 RM
ASSETS EMPLOYED			
PROPERTY, PLANT AND EQUIPMENT	3	25,503	21,609
CURRENT ASSETS			
Trade debtors		66,075	14,764
Sundry deposits		1,905	1,905
Bank balances		128,538	32,847
		<u>196,518</u>	<u>49,516</u>
LESS: CURRENT LIABILITIES			
Trade creditor		2,000	-
Other creditor and accruals		21,469	11,890
Amount due to directors	4	713,861	467,852
		<u>737,330</u>	<u>479,742</u>
NET CURRENT LIABILITIES		(540,812)	(430,226)
		<u>(515,309)</u>	<u>(408,617)</u>
REPRESENTED BY:			
SHARE CAPITAL	5	100,000	100,000
ACCUMULATED LOSS		(615,309)	(508,617)
		<u>(515,309)</u>	<u>(408,617)</u>

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

APPXPLORE SDN. BHD.
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**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 RM	2012 RM
REVENUE	6	441,589	97,621
Cost of sales		(59,671)	(20,617)
GROSS PROFIT		381,918	77,004
Other operating income		2,220	-
Administration expenses		(465,575)	(458,400)
Other operating expenses		(25,255)	(28,899)
NET LOSS FOR THE YEAR	7	(106,692)	(410,295)

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

APPXPLORE SDN. BHD.
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2013**

	SHARE CAPITAL RM	ACCUMULATED LOSS RM	TOTAL RM
Balance at 31 December 2011	1,000	(98,322)	(97,322)
Issued during the year	99,000	-	99,000
Net loss for the year	-	(410,295)	(410,295)
Balance at 31 December 2012	100,000	(508,617)	(408,617)
Net loss for the year	-	(106,692)	(106,692)
Balance at 31 December 2013	100,000	(615,309)	(515,309)

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

APPXPLORE SDN. BHD.
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 RM	2012 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the year	(106,692)	(410,295)
Adjustment for:-		
Depreciation of property, plant and equipment	9,852	7,103
Operating loss before working capital changes	(96,840)	(403,192)
Increase in Debtors	(51,311)	(16,502)
Increase in Creditors	257,588	354,110
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	109,437	(65,584)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(13,746)	(1,499)
NET CASH USED IN INVESTING ACTIVITIES	(13,746)	(1,499)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	99,000
NET CASH FROM FINANCING ACTIVITIES	-	99,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	95,691	31,917
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	32,847	930
CASH AND CASH EQUIVALENTS AT END OF YEAR	128,538	32,847
CASH AND CASH EQUIVALENTS CONSISTS OF:-		
Bank balances	128,538	32,847

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

APPXPLORE SDN. BHD.
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2013

1. FUNDAMENTAL ACCOUNTING ASSUMPTION

The financial statements have been prepared on the going concern basis, the validity of which is dependent upon future profitable operations and/or obtaining additional finance from the shareholders and/or other sources.

2. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements of the Company are prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

b) Depreciation

Depreciation is calculated on the straight line method to write off the cost of the property, plant and equipment over their estimated useful lives.

The principal annual rate used for this purpose is:-

Office equipment	20%
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c) Income Tax

Tax on the profit or loss for the year comprises current and deferred tax. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous year.

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

d) Impairment of Assets

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, impairment is measured by comparing the carrying values of the assets with their recoverable amounts. Recoverable amount is the higher of the net selling price and value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised as an expense in the income statement immediately.

e) Employee Benefits

Employee benefits include salaries, wages, bonus, social security and statutory contributions and paid leave. These benefits are recognised as an expense in the period in which the services are rendered by the employees.

3. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment RM
COST	
At 1.1.2013	35,515
Additions	13,746
At 31.12.2013	<u>49,261</u>
ACCUMULATED DEPRECIATION	
At 1.1.2013	13,906
Charge for the year	9,852
At 31.12.2013	<u>23,758</u>
NET BOOK VALUE	
At 31.12.2013	<u>25,503</u>
At 31.12.2012	<u>21,609</u>

4. AMOUNT DUE TO DIRECTORS

These are unsecured, interest free and with no fixed term of repayment.

5. SHARE CAPITAL

	2013 RM	2012 RM
Ordinary shares of RM1 each,		
Authorised	100,000	100,000
Issued and fully paid:-		
At beginning of year	100,000	1,000
Issued during the year	-	99,000
At end of year	100,000	100,000

6. REVENUE

This represents the invoiced value of services rendered.

7. NET LOSS FOR THE YEAR

Net loss for the year is stated after charging/(crediting):-

	2013 RM	2012 RM
Auditors' remuneration	2,500	2,000
Depreciation of property, plant and equipment	9,852	7,103
Directors' remuneration:-		
Other emoluments	-	45,000
Interest income	(374)	-
(Gain)/Loss on foreign exchange (realised)	(1,846)	3,125
Rental of premises	4,122	2,894
Staff cost (Note 9)	455,894	397,968

8. TAXATION

There is no taxation charge for the year due to the operating loss incurred by the Company.

Subject to the agreement with the Inland Revenue Board, the Company has estimated unabsorbed tax losses and capital allowances of approximately RM631,000 (2012: RM500,000) to be carried forward to set off against future taxable profits.

9. STAFF COST

The total numbers of employees of the Company (excluding directors) at the end of the financial year was 8 (2012: 5).

10. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 6 June 2014.

APPXPLORE SDN. BHD.
(Incorporated in Malaysia)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	2013 RM	2012 RM
REVENUE	441,589	97,621
LESS: COST OF SALES		
Beta tester fee	-	1,872
Games fee	14,451	10,823
Network fee	43,676	991
Participation fee	-	4,000
Subscriptions	1,544	293
Translation fee	-	2,638
	59,671	20,617
GROSS PROFIT	381,918	77,004
OTHER INCOME		
Interest income	374	-
Gain on foreign exchange (realised)	1,846	-
	384,138	77,004
LESS: OPERATING EXPENSES		
Accommodation	1,302	1,587
Administration fee	-	8,000
Allowances	1,500	2,860
Auditors' remuneration	2,500	2,000
Bank charges	2,595	92
Depreciation of property, plant and equipment	9,852	7,103
Design fee	1,500	-
Directors' remuneration	-	45,000
Entertainment	80	-
E.P.F.	47,657	41,632
Filing fee	150	-
Gift and donation	-	424
Licence fee	-	3,213
Loss on foreign exchange (realised)	-	3,125
Medical expenses	470	163
Penalty	-	272
Balance carried forward	67,606	115,471

	2013 RM	2012 RM
Balance brought forward	67,606	115,471
Petrol	16	116
Postages and courier	141	178
Printing and stationery	1,709	2,808
Refreshments	956	691
Registered office expenses	120	120
Registration fees	-	2,506
Rental of premises	4,122	2,894
Secretarial fee	1,440	1,040
Service tax	146	314
Socso	3,815	2,899
Salaries and allowance	394,831	350,414
Stamp duty	-	1,220
Staff welfare	7,621	-
Sundry expenses	136	565
Subsidy	-	1,000
Tax agent fee	1,000	1,000
Telephone and internet charges	2,388	2,640
Travelling	1,485	1,040
Upkeep of office equipment	2,178	383
Upkeep of website	1,120	-
	490,830	487,299
NET LOSS FOR THE YEAR	(106,692)	(410,295)