M N C WIRELESS BERHAD

(Incorporated in Malaysia)
Company No : 635884 - T

FINANCIAL REPORT

for the financial year ended 31 December 2013

CONTENTS

DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2013.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of carrying out sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM	THE COMPANY RM
Loss after taxation for the financial year	(1,634,090)	(3,918,492)
Attributable to:-		
Owners of the Company	(1,634,090)	(3,918,492)

RESERVES AND PROVISIONS

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

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised and issued and paid-up share capital of the Company; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

BAD AND DOUBTFUL DEBTS

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

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

CURRENT ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

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

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

M N C WIRELESS BERHAD
(Incorporated in Malaysia)
Company No : 635884 - T

DIRECTORS' REPORT

DIRECTORS

The directors who served since the date of the last report are as follows:-

YEOH ENG KONG (Appointed on 25.7.2013)
GERALD NICHOLAS TAN ENG HOE (Appointed on 29.8.2013)
CHOO WAI KIT @ KEVIN CHOO (Appointed on 25.7.2013)
HOH MING FATT (Appointed on 11.11.2013)
NGOH TEE SONG (Appointed on 11.11.2013)
TAM JUAT HONG (Appointed on 11.11.2013)
DATUK LEE FOOK LONG (Resigned on 25.7.2013)
TAN SRI DATUK SERI PANGLIMA ABDUL KADIR BIN HAJI SHEIKH FADZIR (Resigned on 25.7.2013)
LIONEL KOH KOK PENG (Resigned on 25.10.2013)
LEE KAM CHUN (Resigned on 27.9.2013)
LEW WENG HO (Resigned on 29.8.2013)
SASHA LEE WYNE (Resigned on 17.9.2013)

DIRECTORS' INTERESTS

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

	NUMBER OF ORDINARY SHARES OF RM0.10 EACH			
	AT 1.1.2013	BOUGHT	SOLD	AT 31.12.2013
GERALD NICHOLAS TAN ENG HOE	-	600,000	-	600,000
YEOH ENG KONG	-	11,982,100	(3,000,000)	8,982,100

The other directors holding office at the end of the financial year had no interest in shares of the Company during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) 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 companies in which certain ex-directors have substantial financial interests as disclosed in Note 29 to the financial statements.

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

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AUDITORS

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

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS DATED 10 APRIL 2014

Gerald Nicholas Tan Eng Hoe

Yeoh Eng Kong

STATEMENT BY DIRECTORS

We, Gerald Nicholas Tan Eng Hoe and Yeoh Eng Kong, being two of the directors of M N C Wireless Berhad, state that, in the opinion of the directors, the financial statements set out on pages 11 to 78 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 the financial position of the Group and of the Company at 31 December 2013 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 33, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 10 APRIL 2014

Gerald Nicholas Tan Eng Hoe **Yeoh Eng Kong**

STATUTORY DECLARATION

I, Hoh Ming Fatt, being the director primarily responsible for the financial management of M N C Wireless Berhad, do solemnly and sincerely declare that the financial statements set out on pages 11 to 78 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
Hoh Ming Fatt, at Klang in the state
of Selangor Darul Ehsan
on this 10 April 2014

Hoh Ming Fatt

Before Me
Goh Cheng Teak (No. B204)
Commissioner Of Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
M N C WIRELESS BERHAD

(Incorporated in Malaysia)
Company No : 635884 - T

Report on the Financial Statements

We have audited the financial statements of M N C Wireless Berhad, which comprise the statements of financial position as at 31 December 2013 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 78.

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 Malaysian Financial Reporting Standards, International Financial 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 judgement, 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 entity'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 entity'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 Group and of the Company as of 31 December 2013 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.

(b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(c) Our audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

Other Reporting Responsibilities

The supplementary information set out in Note 33 on page 79 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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.

Crowe Horwath
Firm No : AF 1018
Chartered Accountants

Chua Wai Hong
Approval No : 2974/09/15 (J)
Chartered Accountant

Kuala Lumpur
10 April 2014

M N C WIRELESS BERHAD
(Incorporated in Malaysia)
Company No : 635884 - T

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013

	NOTE	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiaries	5	-	-	-	2,240,545
Other investments	6	941,202	41,202	941,202	41,202
Property and equipment	7	5,774,286	3,281,106	5,748,312	3,215,359
Product development expenditure	8	1,041,392	1,770,768	1,041,392	1,770,768
Intangible asset	9	229,500	331,500	229,500	331,500
		7,986,380	5,424,576	7,960,406	7,599,374
CURRENT ASSETS					
Inventories held for resale, at cost		-	82,001	-	82,001
Trade receivables	10	3,621,782	2,319,039	1,045,912	828,014
Other receivables, deposits and prepayments	11	407,997	172,197	378,256	134,754
Amount owing by subsidiaries	12	-	-	3,080,688	2,570,084
Tax refundable		4,081	12,925	1,129	1,129
Fixed deposits with a licensed bank	13	268,813	2,068,774	212,609	2,014,252
Cash and bank balances		1,539,900	1,050,093	914,539	232,529
		5,842,573	5,705,029	5,633,133	5,862,763
TOTAL ASSETS		13,828,953	11,129,605	13,593,539	13,462,137

M N C WIRELESS BERHAD

(Incorporated in Malaysia)
Company No : 635884 - T

STATEMENTS OF FINANCIAL POSITION AT 31 DECEMBER 2013 (CONT'D)

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	9,447,350	9,447,350	9,447,350	9,447,350
Share premium	15	2,231,412	2,231,412	2,231,412	2,231,412
Revaluation reserve	16	1,039,200	-	1,039,200	-
Accumulated losses	17	(6,917,482)	(5,283,392)	(6,021,962)	(2,103,470)
TOTAL EQUITY		5,800,480	6,395,370	6,696,000	9,575,292
NON-CURRENT LIABILITIES					
Term loans	18	3,028,325	1,448,700	3,028,325	1,448,700
Deferred taxation	19	346,400	-	346,400	-
		3,374,725	1,448,700	3,374,725	1,448,700
CURRENT LIABILITIES					
Trade payables	20	3,951,933	2,787,068	3,101,552	2,082,044
Other payables and accruals	21	551,645	498,467	271,092	356,101
Term loans	18	150,170	-	150,170	-
		4,653,748	3,285,535	3,522,814	2,438,145
TOTAL LIABILITIES		8,028,473	4,734,235	6,897,539	3,886,845
TOTAL EQUITY AND LIABILITIES		13,828,953	11,129,605	13,593,539	13,462,137
NET ASSETS PER SHARE	22	6.1 sen	6.8 sen		

M N C WIRELESS BERHAD
(Incorporated in Malaysia)
Company No : 635884 - T

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
REVENUE	23	13,057,693	13,539,149	9,653,010	9,881,366
COST OF SALES		(7,875,076)	(9,019,267)	(6,096,901)	(6,372,336)
GROSS PROFIT		5,182,617	4,519,882	3,556,109	3,509,030
OTHER INCOME		52,820	81,727	140,465	251,378
SALES AND DISTRIBUTION EXPENSES		(1,149,818)	(1,745,927)	(144,978)	(448,595)
ADMINISTRATIVE AND OTHER OPERATING EXPENSES		(5,597,194)	(6,651,603)	(7,347,573)	(5,439,130)
FINANCE EXPENSES		(122,515)	(52,238)	(122,515)	(52,238)
LOSS BEFORE TAXATION	24	(1,634,090)	(3,848,159)	(3,918,492)	(2,179,555)
INCOME TAX EXPENSE	25	-	-	-	-
LOSS AFTER TAXATION		(1,634,090)	(3,848,159)	(3,918,492)	(2,179,555)
OTHER COMPREHENSIVE INCOME:					
Item that will not be reclassified subsequently to profit or loss					
Revaluation of property, net of tax		1,039,200	-	1,039,200	-
TOTAL COMPREHENSIVE EXPENSES FOR THE FINANCIAL YEAR		(594,890)	(3,848,159)	(2,879,292)	(2,179,555)
LOSS AFTER TAXATION ATTRIBUTABLE TO OWNERS OF THE COMPANY		(1,634,090)	(3,848,159)	(3,918,492)	(2,179,555)
TOTAL COMPREHENSIVE EXPENSES ATTRIBUTABLE TO OWNERS OF THE COMPANY		(594,890)	(3,848,159)	(2,879,292)	(2,179,555)
LOSS PER SHARE (SEN):					
- BASIC	26	(1.73)	(4.07)		
- DILUTED	26	N/A	N/A		

M N C WIRELESS BERHAD
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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	ATTRIBUTABLE TO OWNERS OF THE COMPANY				
	NON-DISTRIBUTABLE				
THE GROUP	SHARE CAPITAL RM	SHARE PREMIUM RM	REVALUATION RESERVE RM	ACCUMULATED LOSSES RM	TOTAL EQUITY RM
Balance at 1.1.2012	9,447,350	2,231,412	-	(1,435,233)	10,243,529
Loss after taxation for the financial year	-	-	-	(3,848,159)	(3,848,159)
Balance at 31.12.2012/1.1.2013	9,447,350	2,231,412	-	(5,283,392)	6,395,370
Loss after taxation for the financial year	-	-	-	(1,634,090)	(1,634,090)
Other comprehensive income for the financial year, net of tax:					
- revaluation of properties	-	-	1,039,200	-	1,039,200
Total comprehensive income/ (expenses) for the financial year	-	-	1,039,200	(1,634,090)	(594,890)
Balance at 31.12.2013	9,447,350	2,231,412	1,039,200	(6,917,482)	5,800,480

M N C WIRELESS BERHAD

(Incorporated in Malaysia)
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STATEMENTS OF CHANGES IN EQUITY (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	Attributable To Owners Of The Company				
	Non-Distributable				
The Company	Share Capital RM	Share Premium RM	Revaluation Reserve RM	Accumulated Losses RM	Total Equity RM
Balance at 1.1.2012	9,447,350	2,231,412	-	76,085	11,754,847
Loss after taxation for the financial year	-	-	-	(2,179,555)	(2,179,555)
Balance at 31.12.2012/1.1.2013	9,447,350	2,231,412	-	(2,103,470)	9,575,292
Loss after taxation for the financial year	-	-	-	(3,918,492)	(3,918,492)
Other comprehensive income for the financial year, net of tax:					
- revaluation of properties	-	-	1,039,200	-	1,039,200
Total comprehensive income/ (expenses) for the financial year	-	-	1,039,200	(3,918,492)	(2,879,292)
Balance at 31.12.2013	9,447,350	2,231,412	1,039,200	(6,021,962)	6,696,000

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
CASH FLOWS (FOR)/FROM OPERATING ACTIVITIES				
Loss before taxation	(1,634,090)	(3,848,159)	(3,918,492)	(2,179,555)
Adjustments for:-				
Allowance for impairment losses on:				
- amount owing by subsidiaries	-	-	278,386	-
- investment in subsidiaries	-	-	2,240,545	-
- product development expenditure	-	1,124,763	-	1,124,763
- quoted investment	300,448	-	300,448	-
- trade receivables	100,000	-	100,000	-
Amortisation of intangible asset	102,000	102,000	102,000	102,000
Amortisation of product development expenditure	729,376	1,785,343	729,376	1,785,343
Bad debts written off	-	55,843	-	-
Depreciation of property and equipment	381,835	396,855	344,301	349,169
Equipment written off	3,531	3,921	1,292	3,000
Interest expense	122,515	52,238	122,515	52,238
Loss on disposal of equipment	-	208	-	208
Gain on disposal of an associate	-	(5)	-	(5)
Interest income	(49,646)	(81,722)	(44,933)	(75,996)
Reversal of allowance for impairment losses on amount owing by a subsidiary	-	-	(95,532)	(175,377)
Operating profit/(loss) before working capital changes	55,969	(408,715)	159,906	985,788
Decrease/(Increase) in inventories	82,001	(82,001)	82,001	(82,001)
(Increase)/Decrease in trade and other receivables	(1,638,543)	766,938	(561,400)	(21,132)
Increase/(Decrease) in trade and other payables	1,218,043	490,200	934,499	(23,784)
Decrease/(Increase) in amount owing by subsidiaries	-	-	2,479,860	(3,044,907)
CASH (FOR)/FROM OPERATIONS	(282,530)	766,422	3,094,866	(2,186,036)
Interest paid	(122,515)	(52,238)	(122,515)	(52,238)
Tax refunded	8,844	-	-	-
NET CASH (FOR)/FROM OPERATING ACTIVITIES AND BALANCE CARRIED FORWARD	(396,201)	714,184	2,972,351	(2,238,274)

M N C WIRELESS BERHAD

(Incorporated in Malaysia)
Company No : 635884 - T

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013 (CONT'D)

		THE GROUP		THE COMPANY	
		2013	2012	2013	2012
	NOTE	RM	RM	RM	RM
BALANCE BROUGHT FORWARD		(396,201)	714,184	2,972,351	(2,238,274)
CASH FLOWS (FOR)/FROM INVESTING ACTIVITIES					
Interest received		49,646	81,722	44,933	75,996
Investment in subsidiaries		-	-	-	(4)
Purchase of property and equipment		(1,492,946)	(1,778,970)	(1,492,946)	(1,778,970)
Proceeds from disposal of equipment		-	2,370	-	2,370
Proceeds from disposal of an associate		-	5	-	5
Purchase of quoted investment		(1,200,448)	-	(1,200,448)	-
Product development expenditure incurred		-	(2,188,128)	-	(2,188,128)
NET CASH FOR INVESTING ACTIVITIES		(2,643,748)	(3,883,001)	(2,648,461)	(3,888,731)
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES					
Drawdown of term loans		1,784,795	1,232,152	1,784,795	1,232,152
Repayment of term loans		(55,000)	(199,014)	(55,000)	(199,014)
(Advances to)/Repayment from subsidiaries		-	-	(3,173,318)	3,018,465
NET CASH FROM/(FOR) FINANCING ACTIVITIES		1,729,795	1,033,138	(1,443,523)	4,051,603
NET DECREASE IN CASH AND CASH EQUIVALENTS		(1,310,154)	(2,135,679)	(1,119,633)	(2,075,402)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		2,918,867	5,054,546	2,046,781	4,122,183
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	27	1,608,713	2,918,867	927,148	2,046,781

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	10th Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
Principal place of business	:	A-1-3, Block A, Jaya One, No. 72A, Jalan University, Section 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 10 April 2014.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of carrying out sales and marketing, and research and development of wireless, mobile and multimedia solutions and content and investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3. BASIS OF PREPARATION (CONT'D)

3.1 During the current financial year, the Group has adopted the following new accounting standards and interpretations (including the consequential amendments, if any):-

MFRSs and IC Interpretations (Including The Consequential Amendments)

MFRS 10 Consolidated Financial Statements

MFRS 11 Joint Arrangements

MFRS 12 Disclosure of Interests in Other Entities

MFRS 13 Fair Value Measurement

MFRS 119 (2011) Employee Benefits

MFRS 127 (2011) Separate Financial Statements

MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities

Amendments to MFRS 10, MFRS 11 and MFRS 12: Transition Guidance

Amendments to MFRS 101: Presentation of items of Other Comprehensive Income

IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine

Annual Improvements to MFRSs 2009 - 2011 Cycle

The adoption of the above accounting standards and interpretations (including the consequential amendments) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONT'D)

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

MFRSs and IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 9 (2009) Financial Instruments	To be announced by MASB
MFRS 9 (2010) Financial Instruments	To be announced by MASB
MFRS 9 Financial Instruments (Hedge Accounting and Amendments to MFRS 7, MFRS 9 and MFRS 139)	To be announced by MASB
Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures	To be announced by MASB
Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities	1 January 2014
Amendments to MFRS 119: Defined Benefits Plans - Employee Contributions	1 July 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 Derivatives and Continuation of Hedge Accounting	1 January 2014
IC Interpretation 21 Levies	1 January 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

3. BASIS OF PREPARATION (CONT'D)

3.2 The above accounting standards and interpretations (including the consequential amendments, if any) are not relevant to the Group's operations except as follows:-

MFRS 9 (2009), MFRS 9 (2010) & Amendments to MFRS 9 and MFRS 7: Mandatory Effective Date of MFRS 9 and Transition Disclosures
MFRS 9 (2009) introduces new requirements for the classification and measurement of financial assets. Subsequently, this MFRS 9 was amended in year 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition (known as MFRS 9 (2010)). Generally, MFRS 9 replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 divides all financial assets into 2 categories – those measured at amortised cost and those measured at fair value, based on the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments. For financial liabilities, the standard retains most of the MFRS 139 requirement. An entity choosing to measure a financial liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income rather than within profit or loss. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
The amendments to MFRS 132 provide the application guidance for criteria to offset financial assets and financial liabilities. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
The amendments to MFRS 136 remove the requirement to disclosure the recoverable amount when a cash-generating unit (CGU) contains goodwill or intangible assets with indefinite useful lives but there has been no impairment. There will be no financial impacts on the financial statements of the Group upon its initial application but may impact its future disclosure.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management 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 Group'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:-

(i) Depreciation of Property and Equipment

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

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(iii) Impairment of Non-Financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Amortisation of Product Development Expenditure

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(v) Revaluation of Properties

Certain properties of the Group are reported at valuation which is based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

(vi) Impairment of Available-For-Sale Financial Assets

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Critical Accounting Estimates And Judgements (Cont'd)

(vii) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(viii) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

(b) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December 2013.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(i) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(ii) Non-controlling Interests

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Consolidation (Cont'd)

(ii) Non-controlling Interests (Cont'd)

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(iii) Changes In Ownership Interests In Subsidiaries Without Change of Control

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group.

(iv) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(a) the aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(b) the previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Functional and Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

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

(ii) Transactions and Balances

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

(d) Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

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

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

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets

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

- *Financial Assets at Fair Value Through Profit or Loss*

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

- *Held-to-maturity Investments*

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

- *Loans and Receivables Financial Assets*

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

- *Available-for-sale Financial Assets*

  Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

  Unquoted equity investments are initially recognised at fair value plus transaction costs and subsequently measured at cost less impairment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(i) Financial Assets (Cont'd)

- *Available-for-sale Financial Assets (Cont'd)*

  After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

  Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

  Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

(ii) Financial Liabilities

All financial liabilities are initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Financial Instruments (Cont'd)

(iii) Equity Instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(iv) Derecognition

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

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

(e) Investments in Subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment loss in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that their carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property and Equipment

Equipment is stated at cost less accumulated depreciation and impairment losses, if any.

Office buildings are stated at revalued amount less accumulated depreciation and impairment losses, if any, recognised after the date of the revaluation.

Office buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Office buildings	2%
Computers and related equipment	20% - 40%
Furniture, fittings and office equipment	10%
Renovation	20%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Property and Equipment (Cont'd)

An item of property and equipment are derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss.

Capital work-in-progress is stated at cost, and will be transferred to the relevant category of long term assets and depreciated accordingly when the assets are completed and ready for commercial use.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these equipment.

(g) Product Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;

(ii) the product or process is technically and commercially feasible;

(iii) its future economic benefits are probable;

(iv) its intention to complete and ability to use or sell the developed assets; and

(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised product development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent periods.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Product Development Expenditure (Cont'd)

The product development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sales or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(h) Intangible Assets

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and that the cost of the asset can be measured reliably. An entity shall assess the probability of the expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset. An intangible asset shall be measured initially at cost.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment

(i) Impairment of Financial Assets

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting period whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

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

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

With the exception of available-for-sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the financial asset can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (Cont'd)

(ii) Impairment of Non-Financial Assets

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of an impairment loss is treated as a revaluation increase.

(j) Income Taxes

Income taxes for the financial year comprise current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Income Taxes (Cont'd)

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination 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.

(k) Cash and Cash Equivalents

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee Benefits

(i) Short-term Benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits are measured on an undiscounted basis and are recognised in profit or loss in the period in which the associated services are rendered by employees of the Group.

(ii) Defined Contribution Plans

The Group's contributions to defined contribution plans are recognised in profit or loss in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(m) Related Parties

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

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Related Parties (Cont'd)

(b) (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled or jointly controlled by a person identified in (a) above.

(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

(n) Borrowing Costs

Borrowing costs, directly attributable to the acquisition is capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted

All other borrowing costs are recognised in profit or loss as expenses in the period in which they incurred.

(o) Fair Value Measurements

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

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Fair Value Measurements (Cont'd)

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

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

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

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

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

(p) Revenue Recognition

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(q) Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENT IN SUBSIDIARIES

	THE COMPANY	
	2013 RM	2012 RM
Unquoted shares, at cost:-		
At 1 January	2,290,545	2,290,541
Acquired during the financial year	-	4
At 31 December	2,290,545	2,290,545
Accumulated impairment losses:-		
At 1 January	(50,000)	(50,000)
Increase during the financial year	(2,240,545)	-
At 31 December	(2,290,545)	(50,000)
Net carrying amount	-	2,240,545

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:-

Name of Company	Effective Equity Interest 2013	Effective Equity Interest 2012	Principal Activities
Moblife.TV Sdn. Bhd.	100%	100%	Consultation, sales, marketing and implementation of m-business solutions for business to business and business to consumer enterprise applications and the management of content resources for business to business and business to consumer enterprise applications.
Digital Kung-Fu Sdn. Bhd.	100%	100%	Providing web design and hosting services, research and development in digital communication and advertising services.
Wowloud Sdn. Bhd.	100%	100%	Providing legal music streaming subscription service.
Joors Asia Sdn. Bhd.	100%	100%	Dormant.

5. INVESTMENT IN SUBSIDIARIES (CONT'D)

The Company assessed the recoverable amount of investment in subsidiaries and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount. The recoverable amount of the cash-generating unit is determined using the fair value less costs to sell approach, and this is derived from the net assets position of the respective subsidiaries as at the end of the reporting period.

6. OTHER INVESTMENTS

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Quoted shares in Malaysia	1,200,448	-
Less: Allowance for impairment losses	(300,448)	-
Net carrying amount	900,000	-
Unquoted shares outside Malaysia	41,202	41,202
	941,202	41,202
Represented by:-		
At cost	41,202	41,202
At fair value	900,000	-
	941,202	41,202

(a) Investment in quoted shares of the Group and the Company are designated as available-for-sale financial assets and are measured at fair value.

(b) Investment in unquoted shares of the Group and the Company are designated as available-for-sale financial assets but are stated at cost as their fair values cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

(c) During the financial year, the Group and the Company recognised impairment loss of RM300,448 (2012 - Nil) for quoted equity instrument classified as available-for-sale financial assets as there was "significant" decline in the fair value of the investment below its cost. The Group and the Company use 20% as the triggers for "significant" for the purpose of assessing impairment.

7. PROPERTY AND EQUIPMENT

THE GROUP NET CARRYING AMOUNT	AT 1.1.2013 RM	ADDITIONS RM	TRANSFER RM	REVALUATION RESERVE RM	WRITTEN OFF RM	DEPRECIATION CHARGE RM	AT 31.12.2013 RM
Office buildings	-	-	3,994,400	1,385,600	-	-	5,380,000
Computers and related equipment	572,524	4,978	-	-	-	(314,819)	262,683
Furniture, fittings and office equipment	167,889	-	-	-	(3,531)	(44,212)	120,146
Renovation	34,261	-	-	-	-	(22,804)	11,457
Capital work-in-progress	2,506,432	1,487,968	(3,994,400)	-	-	-	-
Total	3,281,106	1,492,946	-	1,385,600	(3,531)	(381,835)	5,774,286

7. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP NET CARRYING AMOUNT	AT 1.1.2012 RM	ADDITIONS RM	DISPOSAL RM	WRITTEN OFF RM	DEPRECIATION CHARGE RM	AT 31.12.2012 RM
Computers and related equipment	649,695	253,238	(2,578)	(3,400)	(324,431)	572,524
Furniture, fittings and office equipment	215,630	2,400	-	(521)	(49,620)	167,889
Renovation	57,065	-	-	-	(22,804)	34,261
Capital work-in-progress	983,100	1,523,332	-	-	-	2,506,432
Total	1,905,490	1,778,970	(2,578)	(3,921)	(396,855)	3,281,106

7. PROPERTY AND EQUIPMENT (CONT'D)

THE GROUP AT 31.12.2013	AT COST RM	AT VALUATION RM	ACCUMULATED DEPRECIATION RM	NET CARRYING AMOUNT RM
Office buildings	-	5,380,000	-	5,380,000
Computers and related equipment	2,928,370	-	(2,665,687)	262,683
Furniture, fittings and office equipment	479,662	-	(359,516)	120,146
Renovation	296,724	-	(285,267)	11,457
Total	3,704,756	5,380,000	(3,310,470)	5,774,286

AT 31.12.2012	AT COST RM	ACCUMULATED DEPRECIATION RM	NET CARRYING AMOUNT RM
Computers and related equipment	3,321,341	(2,748,817)	572,524
Furniture, fittings and office equipment	509,392	(341,503)	167,889
Renovation	296,724	(262,463)	34,261
Capital work-in-progress	2,506,432	-	2,506,432
Total	6,633,889	(3,352,783)	3,281,106

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7. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY NET CARRYING AMOUNT	AT 1.1.2013 RM	ADDITIONS RM	TRANSFER RM	REVALUATION RESERVE RM	WRITTEN OFF RM	DEPRECIATION CHARGE RM	AT 31.12.2013 RM
Office buildings	-	-	3,994,400	1,385,600	-	-	5,380,000
Computers and related equipment	563,621	4,978	-	-	-	(306,517)	262,082
Furniture, fittings and office equipment	111,045	-	-	-	(1,292)	(14,980)	94,773
Renovation	34,261	-	-	-	-	(22,804)	11,457
Capital work-in-progress	2,506,432	1,487,968	(3,994,400)	-	-	-	-
Total	3,215,359	1,492,946	-	1,385,600	(1,292)	(344,301)	5,748,312

7. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY NET CARRYING AMOUNT	AT 1.1.2012 RM	ADDITIONS RM	DISPOSAL RM	WRITTEN OFF RM	DEPRECIATION CHARGE RM	AT 31.12.2012 RM
Computers and related equipment	627,106	253,238	(2,578)	(3,000)	(311,145)	563,621
Furniture, fittings and office equipment	123,865	2,400	-	-	(15,220)	111,045
Renovation	57,065	-	-	-	(22,804)	34,261
Capital work-in-progress	983,100	1,523,332	-	-	-	2,506,432
Total	1,791,136	1,778,970	(2,578)	(3,000)	(349,169)	3,215,359

7. PROPERTY AND EQUIPMENT (CONT'D)

THE COMPANY AT 31.12.2013	AT COST RM	AT VALUATION RM	ACCUMULATED DEPRECIATION RM	NET CARRYING AMOUNT RM
Office buildings	-	5,380,000	-	5,380,000
Computers and related equipment	2,764,231	-	(2,502,149)	262,082
Furniture, fittings and office equipment	150,987	-	(56,214)	94,773
Renovation	114,023	-	(102,566)	11,457
Total	3,029,241	5,380,000	(2,660,929)	5,748,312

AT 31.12.2012	AT COST RM	ACCUMULATED DEPRECIATION RM	NET CARRYING AMOUNT RM
Computers and related equipment	3,117,714	(2,554,093)	563,621
Furniture, fittings and office equipment	153,726	(42,681)	111,045
Renovation	114,023	(79,762)	34,261
Capital work-in-progress	2,506,432	-	2,506,432
Total	5,891,895	(2,676,536)	3,215,359

(a) The office buildings of the Group and of the Company have been pledged to a licensed bank as security for banking facilities granted to the Group and the Company.

(b) The strata title of the office buildings is in the process of being issued to the Group and the Company by the relevant authority.

(c) During the financial year, the Group's and the Company's office buildings have been revalued by an independent professional valuer. The surpluses arising from the revaluations, net of deferred taxation, have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

The fair values of the office buildings are analysed as follows:-

The Group and the Company	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
2013				
Office buildings	-	5,380,000	-	5,380,000

7. PROPERTY AND EQUIPMENT (CONT'D)

(c) The level 2 fair values have been determined based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

There were no transfers between level 1 and level 2 during the financial year.

In estimating the fair value, the highest and best use of the office buildings is their current use.

(d) If the office buildings were measured using the cost model, the net carrying amount would be as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Office buildings, at 31 December:-		
Cost	3,994,400	-
Accumulated depreciation	-	-
Net carrying amount	3,994,400	-

8. PRODUCT DEVELOPMENT EXPENDITURE

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Cost		
At 1 January	16,322,490	14,134,362
Incurred during the financial year	-	2,188,128
At 31 December	16,322,490	16,322,490
Accumulated Amortisation		
At 1 January	(13,426,959)	(11,641,616)
Amortisation charge for the financial year	(729,376)	(1,785,343)
At 31 December	(14,156,335)	(13,426,959)
Allowance for impairment losses	(1,124,763)	(1,124,763)
Net carrying amount	1,041,392	1,770,768

The recoverable amount of a cash generating unit ("CGU") is determined based on value-in-use calculations using cash flow projections prepared and approved by the management. The key assumptions used in value-in-use calculations are disclosed in Note 9 to the financial statements.

9. INTANGIBLE ASSET

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Cost		
At 1 January	1,020,000	1,020,000
Accumulated Amortisation		
At 1 January	(688,500)	(586,500)
Amortisation charge for the financial year	(102,000)	(102,000)
At 31 December	(790,500)	(688,500)
Net carrying amount	229,500	331,500

9. INTANGIBLE ASSET (CONT'D)

The intangible asset comprises the cost incurred in acquiring a mobile platform for messaging gaming services.

Key assumptions used in value-in-use calculations

		Intangible Asset		Product Development Expenditure	
		2013	2012	2013	2012
1.	Discount rate	10%	10%	10%	10%
	The discount rate is on a pre-tax basis that reflects current market assessment of time value of money and the risks specific to the CGU.				
2.	Growth rates	-	-	-	7.50%
	This is based on the management forecasts after incorporating changes in pricing and direct costs based on past experience and the expectations of future changes in the market.				
3.	Cash flow period	4 years	5 years	3 years	5 years
	The cash flow projections are based on financial budgets approved by the management. The cash flow projections for the intangible asset acquired and product development expenditure are based on the duration of the licensing period and the expected life cycle of the products respectively.				
4.	Cash net operating margin	41%	54%	11%	11%
	Net cash projections for the relevant cash flow period are extrapolated based on past net operating cash flows generated by the CGU divided by the gross revenue generated by the respective CGU.				

The management believes that no reasonable change in the above key assumptions would cause the carrying amount to exceed its recoverable amount.

10. TRADE RECEIVABLES

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Trade receivables:				
- third parties	3,721,782	2,318,583	1,145,912	828,014
- related parties	-	456	-	-
	3,721,782	2,319,039	1,145,912	828,014
Allowance for impairment losses	(100,000)	-	(100,000)	-
Net trade receivables	3,621,782	2,319,039	1,045,912	828,014

The Group's normal trade credit terms range from 30 to 90 days. Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Other receivables	274,210	22,836	264,210	22,836
Deposits	109,215	123,680	94,655	106,960
Prepayments	24,572	25,681	19,391	4,958
	407,997	172,197	378,256	134,754

Included in other receivables is an amount of RM85,332 (2012 - Nil) relating to retention monies due and receivable within the next twelve months from property developer of office buildings.

12. AMOUNT OWING BY SUBSIDIARIES

	THE COMPANY	
	2013 RM	2012 RM
Amount owing by subsidiaries:		
- trade	1,301,132	3,780,992
- non-trade	2,747,791	(425,527)
	4,048,923	3,355,465
Allowance for impairment losses	(968,235)	(785,381)
	3,080,688	2,570,084
Allowance for impairment losses:		
At 1 January	785,381	960,758
Addition during the financial year	278,386	-
Reversal during the financial year	(95,532)	(175,377)
At 31 December	968,235	785,381

The trade amount is subject to the normal trade terms range from 30 to 90 days. The amount owing is to be settled in cash.

The non-trade balance represents unsecured interest-free advances and payments made on behalf. The amount owing is repayable on demand and is to be settled in cash.

13. FIXED DEPOSITS WITH A LICENSED BANK

The effective interest rates and maturity periods of the fixed deposit of the Group and of the Company at the end of the reporting period ranged from 3.00% to 3.15% (2012 - 3.00% to 3.8%) per annum and 90 days to 365 days (2012 - 30 to 90 days) respectively.

Included in fixed deposits with a licensed bank of the Group and of the Company at the end of the reporting period is an amount of RM200,000 (2012 - RM200,000) which is pledged to a licensed bank as security for banking facilities granted to the Company.

14. SHARE CAPITAL

	THE COMPANY			
	2013	2012	2013	2012
	NUMBER OF ORDINARY SHARES		RM	RM
ORDINARY SHARES OF RM0.10 EACH:-				
AUTHORISED	250,000,000	250,000,000	25,000,000	25,000,000
ISSUED AND FULLY PAID-UP	94,473,500	94,473,500	9,447,350	9,447,350

15. SHARE PREMIUM

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
At 1 January/31 December	2,231,412	2,231,412

The share premium is not distributable by way of cash dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965 in the Malaysia.

16. REVALUATION RESERVE

The revaluation reserve represents the increase in the fair value of office buildings of the Company, net of deferred tax.

17. ACCUMULATED LOSSES

Subject to agreement with the tax authorities, the Company has unutilised tax losses of approximately RM956,000 (2012 - RM1,449,000) at the end of the reporting period available for offset against future taxable business income.

18. TERM LOANS

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Current portion:		
- not later than one year	150,170	-
Non-current portion:		
- later than one year and not later than two years	159,796	109,589
- later than two years and not later than five years	501,442	380,938
- later than five years	2,367,087	958,173
Total non-current portion	3,028,325	1,448,700
	3,178,495	1,448,700

The term loans are secured by way of:-

(i) a lien over a fixed deposit belonging to the Company; and

(ii) a legal charge over the properties belonging to the Company.

The repayment terms of the term loans are as follows:-

Term loan 1	Repayable in 180 monthly instalments of RM8,472, effective from January 2014.
Term loan 2	Repayable in 180 monthly instalments of RM7,355, effective from January 2014.
Term loan 3	Repayable in 180 monthly instalments of RM9,088, effective from January 2014.

19. DEFERRED TAXATION

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
At 1 January	-	-
Arising from revaluation reserve	346,400	-
At 31 December	346,400	-

The deferred tax liabilities are attributable to revaluation of office buildings.

20. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days.

21. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Other payables:				
- third parties	245,298	405,702	46,319	350,111
- a related party	-	5,990	-	5,990
Accruals	306,347	86,775	224,773	-
	551,645	498,467	271,092	356,101

22. NET ASSETS PER SHARE

The net assets per share of the Group is calculated based on the net assets value of RM5,800,480 (2012 - RM6,395,370) divided by the number of ordinary shares in issue at the end of reporting period of 94,473,500 (2012 - 94,473,500).

23. REVENUE

Revenue represents:-

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Mobile applications	8,681,936	9,881,366	8,681,936	9,881,366
Wireless and multimedia related services	4,375,757	3,657,783	971,074	-
	13,057,693	13,539,149	9,653,010	9,881,366

24. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):-

	THE GROUP 2013 RM	THE GROUP 2012 RM	THE COMPANY 2013 RM	THE COMPANY 2012 RM
Allowance for impairment losses on:				
- amount owing by subsidiaries	-	-	278,386	-
- investment in subsidiaries	-	-	2,240,545	-
- product development expenditure	-	1,124,763	-	1,124,763
- quoted investment	300,448	-	300,448	-
- trade receivables	100,000	-	100,000	-
Amortisation of intangible asset	102,000	102,000	102,000	102,000
Amortisation of product development expenditure	729,376	1,785,343	729,376	1,785,343
Audit fee:				
- current financial year	49,680	46,300	31,680	30,000
- overprovision in the previous financial year	(3,600)	(4,000)	(2,000)	-
Bad debts written off	-	55,843	-	-
Depreciation of property and equipment	381,835	396,855	344,301	349,169

24. LOSS BEFORE TAXATION (CONT'D)

Loss before taxation is arrived at after charging/(crediting):-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Directors' remuneration:				
- fee	16,000	24,000	16,000	24,000
- other emoluments	20,000	417,416	20,000	-
Equipment written off	3,531	3,921	1,292	3,000
Hire of equipment	13,940	3,570	3,120	3,570
Loss on disposal of equipment	-	208	-	208
Rental of office	420,412	452,731	328,310	357,390
Staff costs:				
- salaries and other benefits	3,121,854	1,966,219	2,022,244	629,519
- defined contribution plan	387,275	256,615	250,855	87,182
Term loan interest	122,515	52,238	122,515	52,238
Bad debt recoverable	(3,174)	-	-	-
Gain on disposal of an associate	-	(5)	-	(5)
Interest income	(49,646)	(81,722)	(44,933)	(75,996)
Reversal of allowance for impairment loss on amount owing by a subsidiary	-	-	(95,532)	(175,377)

25. INCOME TAX EXPENSE

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

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Loss before taxation	(1,634,090)	(3,848,159)	(3,918,492)	(2,179,555)
Tax at the statutory tax rate of 25%	(409,000)	(962,000)	(980,000)	(545,000)
Tax effects of:-				
Tax-exempt income	-	(118,000)	-	(118,000)
Non-deductible expenses	410,483	866,200	1,011,483	838,748
Non-taxable income	(11,233)	-	(11,233)	(44,000)
Deferred tax assets not recognised during the financial year	9,750	345,548	-	-
Utilisation of deferred tax assets previously not recognised	-	(131,748)	(20,250)	(131,748)
Income tax expense for the financial year	-	-	-	-

The Company is not subject to tax as it has been granted the MSC Malaysia status, which qualifies the Company for the Pioneer Status incentive under the Promotion of Investments Act 1986. The Company will enjoy full exemption from income tax on its statutory income from pioneer activities for a period of 5 years, from 31 January 2009 to 30 January 2014.

25. INCOME TAX EXPENSE (CONT'D)

No deferred tax assets are recognised in respect of the following items:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Deferred tax assets				
Unabsorbed capital allowances	4,500	74,750	-	41,750
Unutilised tax losses	1,242,250	1,229,500	326,000	362,250
	1,246,750	1,304,250	326,000	404,000
Deferred tax liabilities				
Accelerated depreciation	47,750	(19,500)	53,250	(4,500)
Net deferred tax assets not recognised	1,294,500	1,284,750	379,250	399,500

Deferred tax assets of the Group and of the Company have not been recognised in respect of these items as it is not probable that taxable profit of the Group and of the Company will be available against which the deductible temporary differences can be utilised.

26. LOSS PER SHARE

The basic loss per share for the financial year has been calculated by dividing the consolidated loss attributable to owners of the Company of RM1,634,090 (2012 - RM3,848,159) by the number of ordinary shares in issue during the financial year of 94,473,500 (2012 - 94,473,500).

The diluted loss per share was not applicable as there were no dilutive potential ordinary shares outstanding at the end of the reporting period.

27. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Fixed deposits with a licensed bank	268,813	2,068,774	212,609	2,014,252
Cash and bank balances	1,539,900	1,050,093	914,539	232,529
	1,808,713	3,118,867	1,127,148	2,246,781
Less: Fixed deposit pledged as security (Note 13)	(200,000)	(200,000)	(200,000)	(200,000)
	1,608,713	2,918,867	927,148	2,046,781

28. DIRECTORS' REMUNERATION

The aggregate amount of emoluments received and receivable by the directors of the Group and of the Company during the financial year was as follows:-

THE GROUP 2013	NO. OF DIRECTORS	SALARIES RM	EPF & SOCSO RM	FEE RM	ALLOWANCES AND OTHERS RM	TOTAL RM
Non-Executive - Less than or equal to RM50,000	2	-	-	16,000	20,000	36,000
2012						
Executive - Between RM400,001 and RM450,000	1	356,000	36,208	-	25,208	417,416
Non-Executive - Less than or equal to RM50,000	1	-	-	24,000	-	24,000
	2	356,000	36,208	24,000	25,208	441,416

28. DIRECTORS' REMUNERATION (CONT'D)

THE COMPANY 2013	NO. OF DIRECTORS	SALARIES RM	EPF & SOCSO RM	FEE RM	ALLOWANCES AND OTHERS RM	TOTAL RM
Non-Executive						
- Less than or equal to RM50,000	2	-	-	16,000	20,000	36,000
2012						
Non-Executive						
- Less than or equal to RM50,000	1	-	-	24,000	-	24,000

29. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Identities of related parties

The Company has related party relationships with:-

(i) its subsidiaries as disclosed in Note 5 to the financial statements;

(ii) related parties in which certain ex-directors have substantial financial interests; and

(iii) the directors who are the key management personnel.

(b) Other than those disclosed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with the related parties during the financial year:

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Sales to a subsidiary	-	-	6,973,298	7,424,567
Key management personnel compensation:				
- short-term employee benefits	36,000	441,416	36,000	24,000
Sales to related parties	37,880	26,430	37,880	7,280
Purchases from a related party	4,872	-	4,872	-

30. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to RM equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	THE GROUP AND THE COMPANY	
	2013	2012
	RM	RM
Swedish Krona	0.51	0.47
United States Dollar	3.28	-

31. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The Group's business segments comprise the following main segments:-

Mobile applications	Provision of mobile application platforms for Short Message Service (SMS) to mobile phone users.
Wireless and multimedia related services	Consultations, sales, marketing and implementation of m-business solutions, management of content resources business and other related multimedia services.

The Group Executive Committee assesses the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements

Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS

2013	MOBILE APPLICATIONS RM	WIRELESS AND MULTIMEDIA RELATED SERVICES RM	GROUP RM
REVENUE AND EXPENSES			
Revenue			
External sales	8,681,936	4,375,757	13,057,693
Inter-segment sales	-	6,973,298	6,973,298
Total revenue	8,681,936	11,349,055	20,030,991
Adjustments and elimination			(6,973,298)
Consolidated revenue			13,057,693
Results			
Results before following adjustments	(2,263,493)	2,319,462	55,969
Interest income	44,933	4,713	49,646
Depreciation of property and equipment	(344,301)	(37,534)	(381,835)
Amortisation of intangible asset	(102,000)	-	(102,000)
Amortisation of product development expenditure	(729,376)	-	(729,376)
Other material items of expenses	(101,292)	(2,239)	(103,531)
Other material non-cash expenses	(300,448)	-	(300,448)
Segment results	(3,795,977)	2,284,402	(1,511,575)
Finance cost			(122,515)
Consolidated loss after taxation			(1,634,090)
ASSETS AND LIABILITIES			
Segment assets	10,512,851	3,316,102	13,828,953
Segment liabilities	6,551,139	1,130,934	7,682,073
Deferred tax liabilities			346,400
Consolidated Total Liabilities			8,028,473
OTHER SEGMENT ITEMS			
Addition to non-current assets other than financial instruments:			
- property and equipment	1,492,946	-	1,492,946

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

2012	MOBILE APPLICATIONS RM	WIRELESS AND MULTIMEDIA RELATED SERVICES RM	GROUP RM
REVENUE AND EXPENSES			
Revenue			
External sales	9,881,366	3,657,783	13,539,149
Inter-segment sales	-	7,424,567	7,424,567
Total revenue	9,881,366	11,082,350	20,963,716
Adjustments and elimination			(7,424,567)
Consolidated revenue			13,539,149
Results			
Results before following adjustments	1,161,170	(1,569,880)	(408,710)
Interest income	75,996	5,726	81,722
Depreciation of equipment	(349,169)	(47,686)	(396,855)
Amortisation of intangible asset	(102,000)	-	(102,000)
Amortisation of product development expenditure	(1,785,343)	-	(1,785,343)
Other material items of expenses	(3,208)	(921)	(4,129)
Other material non-cash expenses	(1,124,763)	(55,843)	(1,180,606)
Segment results	(2,127,317)	(1,668,604)	(3,795,921)
Finance cost			(52,238)
Consolidated loss after taxation			(3,848,159)
ASSETS AND LIABILITIES			
Segment assets	8,651,508	2,478,097	11,129,605
Segment liabilities	3,886,845	847,390	4,734,235
OTHER SEGMENT ITEMS			
Additions to non-current assets other than financial instruments:			
- product development expenditure	2,188,128	-	2,188,128
- property and equipment	1,778,970	-	1,778,970

31. OPERATING SEGMENTS (CONT'D)

BUSINESS SEGMENTS (CONT'D)

(a) Other material items of expenses consist of the following:-

	THE GROUP	
	2013	2012
	RM	RM
Allowance for impairment losses on trade receivable	100,000	-
Equipment written off	3,531	3,921
Loss on disposal of equipment	-	208
	103,531	4,129

(b) Other material non-cash expenses consist of the following:-

	THE GROUP	
	2013	2012
	RM	RM
Allowance for impairment loss on:		
- product development expenditure	-	1,124,763
- quoted investment	300,448	-
Bad debts written off	-	55,843
	300,448	1,180,606

GEOGRAPHICAL INFORMATION

An analysis by geographical segment has not been presented as the Group's transactions outside Malaysia comprise less than 10% of the total revenue.

MAJOR CUSTOMERS

Revenue from three major customers amounting to approximately RM8,688,065 (2012 - RM9,229,429) arose from revenue generated from mobile applications.

32. FINANCIAL INSTRUMENTS

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

(a) Financial Risk Management Policies

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

(i) Market Risks

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar and Swedish Krona. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level.

The Group	United States Dollar RM	Swedish Krona RM	Ringgit Malaysia RM	Total RM
2013				
Financial Assets				
Other investments	-	41,202	900,000	941,202
Trade receivables	-	-	3,621,782	3,621,782
Other receivables, deposits and prepayments	76,059	-	331,938	407,997
Fixed deposits with a licensed bank	-	-	268,813	268,813
Cash and bank balances	-	-	1,539,900	1,539,900
	76,059	41,202	6,662,433	6,779,694
Financial Liabilities				
Trade payables	-	-	3,951,933	3,951,933
Other payables and accruals	-	-	551,645	551,645
Term loans	-	-	3,178,495	3,178,495
	-	-	7,682,073	7,682,073
Net financial assets/(liabilities) carried forward	76,059	41,202	(1,019,640)	(902,379)

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	United States Dollar RM	Swedish Krona RM	Ringgit Malaysia RM	Total RM
2013				
Net financial assets/(liabilities) brought forward	76,059	41,202	(1,019,640)	(902,379)
Less: Net financial liabilities denominated in the respective entities' functional currencies	-	-	1,019,640	1,019,640
Currency Exposure	76,059	41,202	-	117,261
2012				
Financial Assets				
Other investments	-	41,202	-	41,202
Trade receivables	-	-	2,319,039	2,319,039
Other receivables, deposits and prepayments	-	-	172,197	172,197
Fixed deposits with a licensed bank	-	-	2,068,774	2,068,774
Cash and bank balances	-	-	1,050,093	1,050,093
	-	41,202	5,610,103	5,651,305
Financial Liabilities				
Trade payables	-	-	2,787,068	2,787,068
Other payables and accruals	-	-	498,467	498,467
Term loans	-	-	1,448,700	1,448,700
	-	-	4,734,235	4,734,235

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Group	United States Dollar RM	Swedish Krona RM	Ringgit Malaysia RM	Total RM
Net financial assets	-	41,202	875,868	917,070
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(875,868)	(875,868)
Currency Exposure	-	41,202	-	41,202

The Company 2013	United States Dollar RM	Swedish Krona RM	Ringgit Malaysia RM	Total RM
Financial Assets				
Other investments	-	41,202	900,000	941,202
Trade receivables	-	-	1,045,912	1,045,912
Other receivables, deposits and prepayments	76,059	-	302,197	378,256
Amount owing by subsidiaries	-	-	3,080,688	3,080,688
Fixed deposits with a licensed bank	-	-	212,609	212,609
Cash and bank balances	-	-	914,539	914,539
	76,059	41,202	6,455,945	6,573,206
Financial Liabilities				
Trade payables	-	-	3,101,552	3,101,552
Other payables and accruals	-	-	271,092	271,092
Term loans	-	-	3,178,495	3,178,495
	-	-	6,551,139	6,551,139
Net financial assets/(liabilities)	76,059	41,202	(95,194)	22,067
Less: Net financial liabilities denominated in the respective entities' functional currencies	-	-	95,194	95,194
Currency Exposure	76,059	41,202	-	117,261

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The Company 2012	United States Dollar RM	Swedish Krona RM	Ringgit Malaysia RM	Total RM
Financial Assets				
Other investments	-	41,202	-	41,202
Trade receivables	-	-	828,014	828,014
Other receivables, deposits and prepayments	-	-	134,754	134,754
Amount owing by subsidiaries	-	-	2,570,084	2,570,084
Fixed deposits with a licensed bank	-	-	2,014,252	2,014,252
Cash and bank balances	-	-	232,529	232,529
	-	41,202	5,779,633	5,820,835
Financial Liabilities				
Trade payables	-	-	2,082,044	2,082,044
Other payables and accruals	-	-	356,101	356,101
Term loans	-	-	1,448,700	1,448,700
	-	-	3,886,845	3,886,845
Net financial assets	-	41,202	1,892,788	1,933,990
Less: Net financial assets denominated in the respective entities' functional currencies	-	-	(1,892,788)	(1,892,788)
Currency Exposure	-	41,202	-	41,202

Foreign currency risk sensitivity analysis

A 5% strengthening/weakening of the Ringgit Malaysia against the United States Dollar and Swedish Krona respectively, as at the end of the reporting period would have an immaterial impact on profit after taxation. This assumes that all other variables remain constant.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from its interest-bearing borrowings. The Group's policy is to obtain the most favourable interest rate available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 32(a)(iii) to the financial statements.

<u>Interest rate risk sensitivity analysis</u>

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

	THE GROUP AND THE COMPANY	
	2013	2012
	(Decrease)/ Increase	(Decrease)/ Increase
	RM	RM
Effects on profit after taxation		
Increase of 100 basis points (bp)	(31,785)	(14,487)
Decrease of 100 bp	31,785	14,487

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(i) Market Risks (Cont'd)

(iii) Equity Price Risk (Cont'd)

If prices for quoted investments at the end of the reporting period strengthen by 5% with all other variables being held constant, the Group's equity would have increased by RM45,000 (2012 - Nil). A 5% weakening in the quoted prices would have had an equal but opposite effect on the profit after taxation and equity respectively.

(ii) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

<u>Credit risk concentration profile</u>

The Group's concentration of credit risk related to debts owing by two customers which constituted approximately 33% of its trade receivables as the end of the reporting period.

<u>Exposure to credit risk</u>

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

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for trade receivables by geographical region is as follows:-

	THE GROUP		THE COMPANY	
	2013	2012	2013	2012
	RM	RM	RM	RM
Malaysia	3,543,728	2,009,039	967,858	518,014
Sweden	78,054	310,000	78,054	310,000
	3,621,782	2,319,039	1,045,912	828,014

Ageing analysis

The ageing analysis of the Group and of the Company's trade receivables at the end of the reporting period is as follows:-

The Group 2013	Gross Amount RM	Individual impairment RM	Net carrying amount RM
Not past due	2,594,086	-	2,594,086
Past due:			
- less than 3 months	843,967	-	843,967
- 3 to 6 months	105,675	-	105,675
- more than 6 months	178,054	(100,000)	78,054
	3,721,782	(100,000)	3,621,782

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

The Group 2012	Gross Amount RM	Individual impairment RM	Net carrying amount RM
Not past due	1,819,436	-	1,819,436
Past due:			
- less than 3 months	157,597	-	157,597
- 3 to 6 months	32,006	-	32,006
- more than 6 months	310,000	-	310,000
	2,319,039	-	2,319,039
The Company **2013**			
Not past due	732,398	-	732,398
Past due:			
- less than 3 months	134,756	-	134,756
- 3 to 6 months	100,704	-	100,704
- more than 6 months	178,054	(100,000)	78,054
	1,145,912	(100,000)	1,045,912
2012			
Not past due	484,502	-	484,502
Past due:			
- less than 3 months	21,746	-	21,746
- 3 to 6 months	11,766	-	11,766
- more than 6 months	310,000	-	310,000
	828,014	-	828,014

At the end of the reporting period, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(ii) Credit Risk (Cont'd)

Ageing analysis (Cont'd)

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

Trade receivables that are neither past due nor impaired

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due which are deemed to have higher credit risk, are monitor individually.

(iii) Liquidity Risk

The Group manages its liquidity risk by maintaining sufficient cash and the availability of funding through adequate committed credit facilities to meet estimated commitments arising from operational expenditure and financial liabilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rate at the end of the reporting period):-

THE GROUP 2013	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Trade payables	-	3,951,933	3,951,933	3,951,933	-	-
Other payables and accruals	-	551,645	551,645	551,645	-	-
Term loans	4.6	3,178,495	3,859,388	298,980	1,195,920	2,364,488
		7,682,073	8,362,966	4,802,558	1,195,920	2,364,488

32. FINANCIAL INSTRUMENTS (CONT'D)

(a) Financial Risk Management Policies (Cont'd)

(iii) Liquidity Risk (Cont'd)

THE GROUP 2012	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Trade payables	-	2,787,068	2,787,068	2,787,068	-	-
Other payables and accruals	-	498,467	498,467	498,467	-	-
Term loans	4.6	1,448,700	1,448,700	-	490,527	958,173
		4,734,235	4,734,235	3,285,535	490,527	958,173

THE COMPANY 2013	Weighted Average Effective Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 - 5 Years RM	Over 5 Years RM
Trade payables	-	3,101,552	3,101,552	3,101,552	-	-
Other payables and accruals	-	271,092	271,092	271,092	-	-
Term loans	4.6	3,178,495	3,859,388	298,980	1,195,920	2,364,488
		6,551,139	7,232,032	3,671,624	1,195,920	2,364,488
2012						
Trade payables	-	2,082,044	2,082,044	2,082,044	-	-
Other payables and accruals	-	356,101	356,101	356,101	-	-
Term loans	4.6	1,448,700	1,448,700	-	490,527	958,173
		3,886,845	3,886,845	2,438,145	490,527	958,173

(b) Capital Risk Management

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

32. FINANCIAL INSTRUMENTS (CONT'D)

(b) Capital Risk Management (Cont'd)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

The debt-to-equity ratio of the Group as at the end of the reporting period was as follows:-

	THE GROUP 2013 RM
Term loans	3,178,495
Less: Fixed deposits with a licensed bank	(268,813)
Less: Cash and bank balances	(1,539,900)
Net debt	1,369,782
Total equity	5,800,480
Debt-to-equity ratio	0.24

The debt-to-equity ratio of the Group for the previous financial year is not presented as its cash and cash equivalents exceeded the total borrowings.

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Group is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Group. The Group has complied with this requirement.

32. FINANCIAL INSTRUMENTS (CONT'D)

(c) Classification of Financial Instruments

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Financial Assets				
Available-for-sale financial asset				
Other investments	941,202	41,202	941,202	41,202
Loans and receivables financial assets				
Trade receivables	3,621,782	2,319,039	1,045,912	828,014
Other receivables, deposits and prepayments	407,997	172,197	378,256	134,754
Amount owing by subsidiaries	-	-	3,080,688	2,570,084
Fixed deposits with a licensed bank	268,813	2,068,774	212,609	2,014,252
Cash and bank balances	1,539,900	1,050,093	914,539	232,529
	5,838,492	5,610,103	5,632,004	5,779,633
Financial Liabilities				
Other financial liabilities				
Trade payables	3,951,933	2,787,068	3,101,552	2,082,044
Other payables and accruals	551,645	498,467	271,092	356,101
Term loans	3,178,495	1,448,700	3,178,495	1,448,700
	7,682,073	4,734,235	6,551,139	3,886,845

32. FINANCIAL INSTRUMENTS (CONT'D)

(d) Fair Values Measurements

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments.

	Fair Value Of Financial Instruments Carried At Fair Value			Total Fair Value	Carrying Amount
THE GROUP AND THE COMPANY	Level 1 RM	Level 2 RM	Level 3 RM	RM	RM
2013					
Financial Assets					
Other investments:					
– quoted shares	900,000	-	-	900,000	900,000
– unquoted shares	-	-	-	#	41,202
Financial Liability					
Term loans	-	-	-	*	3,178,495
2012					
Financial Assets					
Other investments:					
– unquoted shares	-	-	-	#	41,202
Financial Liability					
Term loans	-	-	-	*	1,448,700

 # The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

** The carrying amounts of the term loans approximated their fair values as these instruments bear interest at variable rates.*

(a) The fair value of quoted investment is measured at their quoted closing bid price at the end of the reporting period.

(b) There were no transfer between level 1, level 2 and level 3 during the financial year.

33. DISCLOSURE OF REALISED AND UNREALISED LOSSES

The breakdown of the accumulated losses of the Group and of the Company as at the end of the reporting period into realised and unrealised losses are presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2013 RM	2012 RM	2013 RM	2012 RM
Total accumulated losses:				
- realised	(6,917,482)	(5,283,392)	(6,021,962)	(2,103,470)
- unrealised	-	-	-	-
At 31 December	(6,917,482)	(5,283,392)	(6,021,962)	(2,103,470)