AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
30 SEPTEMBER 2015

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AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

CORPORATE INFORMATION

Directors	Chok Kwee Bee (Chairman cum Senior Independent Non-Executive Director) Ng Sang Beng (Executive Director cum Chief Executive Officer) Yeoh Chee Keong (Executive Director cum Chief Operating Officer) Kan Ky-Vern (Executive Director cum Chief Financial Officer) Wong Shee Kian (Executive Director cum Chief Technology Officer) Ong Chong Chee (Independent Non-Executive Director) Friiscor Ho Chii Ssu (Independent Non-Executive Director)
Secretaries	Chee Wai Hong Tan She Chia
Audit Committee	Ong Chong Chee (Chairman, Independent Non-Executive Director) Chok Kwee Bee (Senior Independent Non-Executive Director) Friiscor Ho Chii Ssu (Independent Non-Executive Director)
Registered Office	51-13-A Menara BHL Bank Jalan Sultan Ahmad Shah 10050 Penang
Business Address	One Precinct, 1C-06-02 Lengkok Mayang Pasir 11950 Bayan Baru Penang

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

CORPORATE INFORMATION

Auditors	Grant Thornton (AF:0042) Chartered Accountants
Principal Bankers	CIMB Bank Berhad CIMB Islamic Bank Berhad HSBC Bank Malaysia Berhad United Overseas Bank (Malaysia) Bhd.
Stock Exchange Listing	ACE Market of Bursa Malaysia Securities Berhad

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

DIRECTORS' REPORT
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial period ended **30 September 2015**.

PRINCIPAL ACTIVITIES

The Company was incorporated on 17 October 2014 and its principal activity is that of an investment holding company.

The principal activities of the subsidiary are described in Note 5 to the financial statements.

RESULTS

	GROUP RM	COMPANY RM
Profit/(Loss) after taxation for the period	**9,067,033**	**(1,201,280)**

In the opinion of the directors, the results of the operations of the Group and of the Company for the financial period ended **30 September 2015** have not been substantially affected by any item, transaction or event of a material and unusual nature, nor has any such item, transaction or event occurred in the interval between the end of that financial period and the date of this report other than government grant amounting to RM1,091,387 recognised in the Group income during the financial period.

DIVIDENDS

No dividends have been declared or paid by the Company since the date of incorporation.

The directors do not recommend any dividend payment for the financial period.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial period other than those disclosed in the financial statements.

SHARE CAPITAL AND DEBENTURE

Subsequent to its date of incorporation, the Company increased its authorised share capital from RM400,000 to RM100,000,000 by the creation of an additional 996,000,000 ordinary shares of RM0.10 each.

As part of the listing scheme disclosed in Note 29 to the financial statements, the Company had during the financial period issued:

a) 351,059,980 new ordinary shares of RM0.10 each at par as consideration for the acquisition of Aemulus Corporation Sdn. Bhd.; and

b) 87,790,000 new ordinary shares of RM0.10 each as part of the Initial Public Offering exercise at RM0.28 per ordinary share.

The new ordinary shares issued ranked pari passu with the existing ordinary shares of the Company.

Other than the foregoing, the Company did not issue any other share or debenture and did not grant any option to anyone to take up unissued shares of the Company.

DIRECTORS

The directors who served since the date of incorporation are as follows:

Lee Beng San (1st director, resigned on 9.12.14)
Ch'ng Kai Jun (1st director, resigned on 9.12.14)
Ng Sang Beng (appointed on 8.12.14)
Yeoh Chee Keong (appointed on 8.12.14)
Kan Ky-Vern (appointed on 8.12.14)
Wong Shee Kian (appointed on 8.12.14)
Chok Kwee Bee (appointed on 8.12.14)
Ong Chong Chee (appointed on 20.7.15)
Friiscor Ho Chii Ssu (appointed on 20.7.15)

DIRECTORS' INTERESTS IN SHARES

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

Company No. 1114009-H

	Number of ordinary shares of RM0.10 each					
	Balance at 17.10.14	**Pre-IPO (iv) acquisition**	**Offer for sale**	**Bought**	**Sold**	**Balance at 30.9.15**
Direct interest:						
Ng Sang Beng	**-**	**79,937,180**	**(1,601,600)**	**20**	**-**	**78,335,600**
Yeoh Chee Keong	**-**	**54,402,200**	**(3,227,300)**	**-**	**-**	**51,174,900**
Wong Shee Kian	**-**	**16,059,800**	**(1,428,600)**	**100,000**	**-**	**14,731,200**
Chok Kwee Bee	**-**	**-**	**-**	**1,000,000**	**-**	**1,000,000**
Friiscor Ho Chii Ssu	**-**	**5,419,800**	**-**	**50,000**	**-**	**5,469,800**
Ong Chong Chee	**-**	**-**	**-**	**1,100,000**	**-**	**1,100,000**
Deemed interest:						
Ng Sang Beng (i)	**-**	**41,691,400**	**(2,402,700)**	**-**	**-**	**39,288,700**
Yeoh Chee Keong (ii)	**-**	**5,238,600**	**(4,778,600)**	**-**	**-**	**460,000**
Kan Ky-Vern (iii)	**-**	**30,345,400**	**-**	**-**	**-**	**30,345,400**

(i) Deemed interested by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965 held through Aemulus Venture Sdn. Bhd. and spouse.

(ii) Other interest held through his spouse pursuant to Section 134(12)(c) of the Companies Act, 1965.

(iii) Deemed interested by virtue of Section 6A and Section 134(12)(c) of the Companies Act, 1965 held through Beach Capital Sdn. Bhd. and spouse.

(iv) These shares were acquired pursuant to the Company's acquisition of the entire share capital of Aemulus Corporation Sdn. Bhd. as part of the listing scheme of the Company. (Refer to Note 29 to the financial statements)

By virtue of his interest in the Company, **Mr. Ng Sang Beng** is deemed interested in the shares of the subsidiary, to the extent that the Company has interest.

DIRECTORS' BENEFITS

Since the date of incorporation, no director of the Company 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 the directors as shown in the financial statements) by reason of a contract made by the Company with a director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest, other than those related party transactions disclosed in the notes to the financial statements.

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the objects of enabling directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts, and

(ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had 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:

(i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and the Company inadequate to any substantial extent, and

(ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, and

(iii) that would render any amount stated in the financial statements of the Group and of the Company misleading, and

(iv) 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.

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 period which secures the liabilities of any other person, and

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial period.

No contingent liability 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 period which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

SIGNIFICANT EVENT

Significant event during the financial period are disclosed in Note 29 to the financial statements.

AUDITORS

The auditors, **Grant Thornton**, have expressed their willingness to continue in office.

Signed in accordance with a resolution of the directors:

.............................……........................…...	**...…....**
Ng Sang Beng	**Kan Ky-Vern**

Penang,

Date: 18 January 2016

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

DIRECTORS' STATEMENT

In the opinion of the directors, the financial statements set out on pages 13 to 58 are properly 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 as at **30 September 2015** and of their financial performance and cash flows for the financial period then ended.

In the opinion of the directors, the supplementary information set out on page 59 has been compiled in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

Signed in accordance with a resolution of the directors:

……..…	**…..……**
Ng Sang Beng	**Kan Ky-Vern**

Date: 18 January 2016

STATUTORY DECLARATION

I, **Kan Ky-Vern**, the director primarily responsible for the financial management of **Aemulus Holdings Berhad** do solemnly and sincerely declare that the financial statements set out on pages 13 to 58 and the supplementary information set out on page 59 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Penang, this **18th**)
day of **January 2016**.)

..…..…..............
Kan Ky-Vern

Before me,

…...
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **Aemulus Holdings Berhad,** which comprise the statement of financial position as at **30 September 2015** of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 13 to 58.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of these 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 the 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 at **30 September 2015** and of their financial performance and cash flows for the financial period 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 subsidiary of which we have acted as auditors have been properly kept in accordance with the provisions of the Act,

(b) We are satisfied that the accounts of the subsidiary 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, and

(c) The auditors' report on the accounts of the subsidiary 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 on page 59 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.

Grant Thornton	**John Lau Tiang Hua, DJN**
No. AF: 0042	**No. 1107/03/16 (J)**
Chartered Accountants	**Chartered Accountant**

Penang

Date: 18 January 2016

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2015

	NOTE	GROUP RM	COMPANY RM
ASSETS			
Non-current assets			
Property, plant and equipment	4	4,332,503	-
Investment in a subsidiary	5	-	35,105,998
Intangible assets	6	13,686,335	-
		18,018,838	35,105,998
Current assets			
Inventories	7	11,629,924	-
Trade receivables	8	9,311,260	-
Other receivables, deposits and prepayments	9	2,116,730	5,300
Amount due from a subsidiary	10	-	23,366,105
Other investment	11	646,604	-
Fixed deposits with licensed banks	12	1,434,226	-
Cash and bank balances	13	32,858,982	2
		57,997,726	23,371,407
TOTAL ASSETS		76,016,564	58,477,405
EQUITY AND LIABILITIES			
Share capital	14.1	43,885,000	43,885,000
Share premium	14.2	15,210,093	15,210,093
Merger deficit	14.3	(12,954,053)	-
Retained profits/(loss)		22,068,565	(1,201,280)
Total equity		68,209,605	57,893,813
Non-current liabilities			
Borrowings	15	127,745	-
Current liabilities			
Trade payables	16	4,004,497	-
Other payables and accruals	17	3,374,742	576,417
Provision for warranty	18	261,400	-
Borrowings	15	5,236	-
Provision for taxation		33,339	7,175
		7,679,214	583,592
Total liabilities		7,806,959	583,592
TOTAL EQUITY AND LIABILITIES		76,016,564	58,477,405

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	NOTE	GROUP 1.10.14 To 30.9.15 RM	COMPANY 17.10.14 To 30.9.15 RM
Revenue	19	32,591,284	-
Cost of sales		(13,390,863)	-
Gross profit		19,200,421	-
Other income		3,120,321	28,701
Administrative expenses		(13,143,427)	(1,222,806)
Profit/(Loss) from operations		9,177,315	(1,194,105)
Finance costs		(75,564)	-
Profit/(Loss) before taxation	20	9,101,751	(1,194,105)
Taxation	21	(34,718)	(7,175)
Net profit/(loss), representing total comprehensive income/(loss) for the period		9,067,033	(1,201,280)
Earnings per share attributable to the owners of the Company (sen)			
- Basic	22.1	2.56	
- Diluted	22.2	-	

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

			|-------Non-distributable------|		Distributable	
	NOTE	**Share Capital RM**	**Share Premium RM**	**Merger Deficit RM**	**Retained Profits RM**	**Total Equity RM**
At 17 October 2014 (date of incorporation)		**2**	**-**	**-**	**13,001,532** *	**13,001,534**
Total comprehensive income for the period		**-**	**-**	**-**	**9,067,033**	**9,067,033**
Transactions with owners:						
Share issue pursuant to acquisition of a subsidiary	**14**	**35,105,998**	**-**	**(12,954,053)**	**-**	**22,151,945**
Share issue pursuant to Initial Public Offering	**14**	**8,779,000**	**15,802,200**	**-**	**-**	**24,581,200**
Share issue expenses		**-**	**(592,107)**	**-**	**-**	**(592,107)**
Total transactions with owners		**43,884,998**	**15,210,093**	**(12,954,053)**	**-**	**46,141,038**
Balance at end		**43,885,000**	**15,210,093**	**(12,954,053)**	**22,068,565**	**68,209,605**

** This represents the retained profits of Aemulus Corporation Sdn. Bhd. as at 1 October 2014.*

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	NOTE	Share Capital RM	Non-distributable Share Premium RM	Loss RM	Total Equity RM
At 17 October 2014 (date of incorporation)		**2**	**-**	**-**	**2**
Total comprehensive loss for the period		**-**	**-**	**(1,201,280)**	**(1,201,280)**
Transactions with owners:					
Share issue pursuant to acquisition of a subsidiary	**14**	**35,105,998**	**-**	**-**	**35,105,998**
Share issue pursuant to Initial Public Offering	**14**	**8,779,000**	**15,802,200**	**-**	**24,581,200**
Share issue expenses		**-**	**(592,107)**	**-**	**(592,107)**
Total transactions with owners		**43,884,998**	**15,210,093**	**-**	**59,095,091**
Balance at end		**43,885,000**	**15,210,093**	**(1,201,280)**	**57,893,813**

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP 1.10.14 To 30.9.15 RM	COMPANY 17.10.14 To 30.9.15 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	9,101,751	(1,194,105)
Adjustments for:		
Dividend income	(20,629)	-
Depreciation	501,903	-
Government grant	(1,091,387)	-
Interest expense	75,564	-
Interest income	(111,829)	(28,701)
Listing expenses	1,149,244	997,941
Loss on disposal of property, plant and equipment	2,626	-
Property, plant and equipment written off	85,981	-
Provision for warranty	77,034	-
Unrealised gain on foreign exchange	(90,071)	-
Operating profit/(loss) before working capital changes	9,680,187	(224,865)
Increase in inventories	(4,279,344)	-
Decrease/(Increase) in receivables	1,056,389	(5,300)
Increase in payables	1,658,728	576,417
Cash generated from operations	8,115,960	346,252
Income tax paid	(19,304)	-
Income tax refund	3,296	-
Interest paid	(11,849)	-
Net cash from operating activities	8,088,103	346,252
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	111,829	13,874
Purchase of unit trusts	(1,708)	-
Purchase of property, plant and equipment	(1,999,174)	-
Placement of fixed deposits	(1,060,316)	-
Net change in subsidiary company's balance	-	(23,351,278)
Net cash used in investing acvtities	(2,949,369)	(23,337,404)
Balance carried forward	5,138,734	(22,991,152)

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

	GROUP 1.10.14 To 30.9.15 RM	COMPANY 17.10.14 To 30.9.15 RM
Balance brought forward	5,138,734	(22,991,152)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	24,581,202	24,581,202
Payment of listing expenses	(1,741,351)	(1,590,048)
Proceeds from government grant	901,887	-
Payment of finance lease	(4,216)	-
Payment of term loan	(5,932)	-
Net cash from financing activities	23,731,590	22,991,154
NET INCREASE IN CASH AND BANK BALANCES	28,870,324	2
Effects of changes in exchange rates	57,816	-
CASH AND BANK BALANCES AT BEGINNING	3,930,842	-
CASH AND BANK BALANCES AT END	32,858,982	2
Increase in inventories		
Changes in inventories	(4,285,821)	-
Transfer from property, plant and equipment	6,477	-
Working capital changes	(4,279,344)	-

The notes set out on pages 19 to 58 form an integral part of these financial statements.

AEMULUS HOLDINGS BERHAD
Company No. 1114009-H
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NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2015

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at 51-13-A Menara BHL Bank, Jalan Sultan Ahmad Shah, 10050 Penang.

The principal place of business of the Company is located at One Precinct, 1C-06-02, Lengkok Mayang Pasir, 11950 Bayan Baru, Penang.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 January 2016.

Principal Activities

The Company was incorporated on 17 October 2014 and its principal activity is that of an investment holding company.

The principal activities of the subsidiary are described in Note 5 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with applicable Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 in Malaysia.

2.2 Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention unless otherwise indicated in the summary of accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group and by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

2.3 Functional and Presentation Currency

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

2.4 Adoption of Amendments/Improvements to MFRS and IC Interpretation ("IC Int")

At beginning of the current financial period, the Group and the Company adopted the following standards that are mandatory for the current financial period:

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

Effective for annual periods beginning on or after 1 July 2014
Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions
Amendments to MFRS Annual improvements to MFRS 2010-2012 Cycle
Amendments to MFRS Annual improvements to MFRS 2011-2013 Cycle

Initial application of the above standards did not have any impact to the financial statements of the Group and of the Company.

2.5 Standards Issued But Not Yet Effective

The Group and the Company have not applied the following standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the Group and for the Company:

Effective for annual periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts
MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations
Amendments to MFRS 101 Disclosure Initiative
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants
Amendments to MFRS 127 Equity Method in Separate Financial Statements
Annual Improvements to MFRS 2012–2014 Cycle

Effective for annual periods beginning on or after 1 January 2018

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15 Revenue from Contracts with Customers
Amendments to MFRS 7 Mandatory Date of MFRS 9 and Transition Disclosures

The existing MFRS 111, MFRS 118, IC Int 13, IC Int 15, IC Int 18 and IC Int 131 will be withdrawn upon the adoption of MFRS 15 on 1 January 2018.

The initial application of the above standards is not expected to have any material impact to the financial statements of the Company upon adoption, except as mentioned below:

MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in *MFRS 111 Construction Contracts*, *MFRS 118 Revenue, IC Int 13 Customer Loyalty Programmes*, *IC Int 15 Agreements for Construction of Real Estate, IC Int 18 Transfers of Assets from Customers and IC Int 131 Revenue – Barter Transactions Involving Advertising Services*. Upon adoption of MFRS 15, it is expected that the timing of revenue recognition might be different as compared with the current practices.

The adoption of MFRS 15 will result in a change in accounting policy. The Company is currently assessing the financial impact of adopting MFRS 15.

2.6 Significant Accounting Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2.6.1 Judgements made in applying accounting policies

There are no significant areas of critical judgement in applying accounting policies that have any significant effect on the amount recognised in the financial statements.

2.6.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) **Useful lives of depreciable assets**

Plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the plant and equipment to be 5 to 10 years. Changes in the expected technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore future depreciation charges could be revised.

(ii) **Impairment of intangible assets**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in assumptions are disclosed in Note 6 to the financial statements.

(iii) **Inventories**

The management reviews for slow-moving and obsolete inventories. This review requires judgements and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

(iv) **Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics.

(v) **Provision for warranty**

The Group provides warranty for manufacturing defects of its products sold. The Group's normal product warranty period is one year. The provision for product warranty is calculated at approximately 2.5% of the cost of products sold.

As the Group's products are constantly upgraded for technology developments, the level of manufacturing defects for the upgraded and/or new products may not necessary reflect past trends and in such circumstances, the original basis used to calculate the amounts for product warranty claim may need to be revised when it is appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial years unless otherwise indicated below.

3.1 Basis of Consolidation

(i) **Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, 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. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investment in subsidiary is measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

Upon disposal of investment in a subsidiary, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(ii) **Business combination**

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred, plus
- the recognised amount of any non-controlling interest in the acquiree plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree, less
- the net recognised amount at fair value of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised in profit or loss.

For each business combination, the Group elects whether to recognise non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(iii) **Combination through merger**

The acquisition of Aemulus Corporation Sdn. Bhd. is accounted for using the merger accounting principle. Accordingly, the results of subsidiary are presented as if the merger had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the merger is cancelled with the values of the shares received. Any resulting debit difference is adjusted against any suitable reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the merged entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

(iv) **Loss of control**

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity accounted investee or as an available-for sale financial asset depending on the level of influence retained.

(v) **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra group transactions, are eliminated in preparing the consolidated financial statements.

3.2 **Property, Plant and Equipment**

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

Property, plant and equipment are depreciated on the straight line method to write off the cost of the assets to their residual value over their estimated useful lives, at the following annual rates:

Freehold commercial lot	2%
Office and testing equipment	10% - 20%
Furniture and fittings	10%
Renovation	10%
Motor vehicles	10%

Depreciation on capital expenditure in progress commences when the assets are ready for their intended use.

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

Upon the disposal of an item of property, plant and equipment, the difference between the net disposal proceed and its carrying amount is recognised in profit or loss.

3.3 **Leases**

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or the arrangement conveys a right to use the asset, even if that right is not explicitly specific in an arrangement.

Finance lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership, which include hire purchase arrangement, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Minimum lease payments made under finance leases are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the profit or loss. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

Leases, where the Group does not assume substantially all the risks and rewards of ownership are classified as operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the statement of financial position. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

3.4 **Intangible Assets**

3.4.1 **Goodwill**

Goodwill acquired through business combination is initially measured at cost being the excess of the cost of business acquired over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

3.4.2 **Trademarks and Patents**

Trademarks and patents are intangible assets with indefinite useful life and are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at 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 the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

3.5 Impairment of Non-Financial Assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired.

For the purpose of impairment testing, recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

3.6 Financial Instruments

3.6.1 Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

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, transactions costs that are directly attributable to the acquisition or issue of the financial instrument.

3.6.2 Financial instrument categories and subsequent measurement

The Group and the Company categorise financial instruments as follows:

Financial assets

(a) **Loans and receivables**

Loans and receivables category comprises debt instruments that are not quoted in an active market.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

(b) **Available-for-sale financial assets**

Available-for-sale category comprises investment in equity and debt securities instruments.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

All financial assets are subject to review for impairment.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

Financial liabilities are classified as current liabilities, except for those having maturity dates later than 12 months after the end of the reporting period which are classified as non-current.

3.6.3 **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.6.4 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 the 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 expired. 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.

3.7 Impairment of Financial Assets

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiary) 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. Losses expected as a result of future events, no matter how likely, are not recognised. For an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments 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 asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in profit or loss for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

3.8 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw materials is determined on the weighted average basis.

Cost of finished goods includes direct materials and direct labour.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Cash and Cash Equivalents

Cash comprises cash in hand, cash at bank and demand deposits. Cash equivalents are short term and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, against which bank overdraft balances, if any, are deducted.

3.10 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

3.11 Borrowings Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

Other borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

3.12 Research and Development Expenditure

All general research and development expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

3.13 Government Grants

Government grants are recognised initially as deferred income at their fair values when there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received.

Grants are recognised as income on a systematic basis over the periods necessary to match them with the related costs which they are intended to compensate. Grants related to asset are presented by deducting the grants to the carrying amount of the asset.

3.14 Revenue Recognition

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer.

Revenue from rendering of services is recognised by reference to the stage of completion of the transaction at the end of the reporting period. Stage of completion is measured by reference to services performed to date as a percentage of total services to be performed.

3.15 Employee Benefits

Short term benefits

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

Defined contribution plans

As required by law, companies in Malaysia make contributions to the national pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

3.16 Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.17 Foreign Currency Translations

Assets and liabilities in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at the rates of exchange approximating those ruling on that date. Transactions in foreign currencies during the year are converted into Ringgit Malaysia at the rates of exchange approximating those ruling on transaction dates. Gains and losses on foreign exchange are included in the income statement.

3.18 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue 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, who in this case are the Executive Directors of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

3.19 Share Capital and Share Premium

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Share premium includes any premium received upon issuance of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

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4. PROPERTY, PLANT AND EQUIPMENT

GROUP

	Freehold commercial lot RM	Office and testing equipment RM	Furniture and fittings RM	Renovation RM	Motor vehicles RM	Capital Work-in-progress RM	Total RM
At cost							
Balance at incorporation	-	-	-	-	-	-	-
Acquisition of a subsidiary	210,000	3,457,789	129,339	184,965	148,375	225,309	4,355,777
Additions	-	1,897,413	226,001	301,036	-	-	2,424,450
Disposal	-	(8,080)	-	-	-	-	(8,080)
Reclassification	-	-	-	225,309	-	(225,309)	-
Set-off against government grant received	-	(425,276)	-	-	-	-	(425,276)
Transfer to inventories	-	(6,700)	-	-	-	-	(6,700)
Written off	-	(21,769)	-	(163,545)	-	-	(185,314)
Balance at end	210,000	4,893,377	355,340	547,765	148,375	-	6,154,857
Accumulated depreciation							
Balance at incorporation	-	-	-	-	-	-	-
Acquisition of a subsidiary	21,700	1,177,397	59,055	87,532	79,777	-	1,425,461
Current charge	4,200	414,407	23,787	44,672	14,837	-	501,903
Disposal	-	(5,454)	-	-	-	-	(5,454)
Transfer to inventories	-	(223)	-	-	-	-	(223)
Written off	-	(8,269)	-	(91,064)	-	-	(99,333)
Balance at end	25,900	1,577,858	82,842	41,140	94,614	-	1,822,354
Carrying amount	184,100	3,315,519	272,498	506,625	53,761	-	4,332,503

Freehold commercial lot is pledged to a licensed bank as security for banking facility granted to the Group.

The carrying amount of office and testing equipment amounting to **RM10,730** (2014: RM11,315) are acquired under finance lease.

5. INVESTMENT IN A SUBSIDIARY

	COMPANY RM
Unquoted shares, at cost	**35,105,998**

The details of the subsidiary are as follows:

Name of Subsidiary	Effective Equity Interest %	Principal Activities
Aemulus Corporation Sdn. Bhd. ("ACSB")	**100%**	Designing and assembling of automated test equipment and test and measurement instruments and the provision of their related services and design consultancy services.

On 24 July 2015, the Company acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in the Company at par.

The consolidated financial statements has been prepared using the merger method to account for the acquisition of ACSB. Merger reserve or deficit are determined as the difference between the cost of merger and nominal value of the share capital in the subsidiary acquired and recognised in the statements of financial position.

The recognised merger deficit at the acquisition date is derived as follows:

	GROUP RM
Consideration paid by issuance of shares of the Company	**35,105,998**
Less: Nominal value of the subsidiary's share capital	**(22,151,945)**
Merger deficit	**12,954,053**

Impact of the acquisition on the consolidated Statements of Comprehensive Income

In the financial period when the merger took place, the subsidiary's profits are included in the Group's profits for the full financial period, irregardless of the effective date of the merger.

6. INTANGIBLE ASSETS

	GROUP RM
At cost:	
Goodwill	**13,663,357**
Trademark, patent and industry design	**22,978**
	13,686,335

The goodwill arising from the business acquisition and other intangible assets have been allocated to the Group's electronic tester segment as the cash-generating unit ("CGU").

For annual impairment testing purposes, the recoverable amount of the CGU are determined based on their value-in-use, which apply a discounted cash flow model using cash flow projections based on approved financial budget and projections covering a five-year period.

Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

(i) Cash flow projections and growth rate

The five (5) years cash flow projections are based on past experience. The anticipated annual revenue growth rate applied for the five (5) years cash flow projections is 10% based on the anticipated annual revenue growth. A terminal value is assigned at the end of the five (5) year cash flow projections based on an assumed growth rate of 1% in perpetuity. The growth rate of 1% is in line with information obtained from external sources.

(ii) Discount rate

A pre-tax discount rate of 6.31% was applied in determining the recoverable amount of the CGU. The discount rate was estimated based on the available borrowing rate to the Group adjusted for risk premium based on the yield on a ten-year government bond at the beginning of the budgeted year.

The management believes that any reasonable change in the key assumptions would not cause the carrying amount of the intangible assets to exceed the recoverable amount of the CGU. Based on the above review, there is no evidence of impairment on the Group's intangible assets.

7. INVENTORIES

	GROUP RM
Raw materials	**4,915,049**
Finished goods	**6,714,875**
	11,629,924

The inventories recognised in profit or loss as cost of sales is RM13,390,863.

8. TRADE RECEIVABLES

The currency profile of trade receivables is as follows:

	GROUP RM
Ringgit Malaysia	**2,839,920**
US Dollar	**6,471,340**
	9,311,260

The trade receivables are non-interest bearing and are generally on 30 to 90 days credit terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP RM	COMPANY RM
GST claimable	**38,805**	**-**
Government grant	**1,515,775**	-
Refundable deposits	**207,668**	**-**
Prepayments	**349,182**	**-**
Other receivable	**5,300**	**5,300**
	2,116,730	**5,300**

10. AMOUNT DUE FROM A SUBSIDIARY

The amount due from a subsidiary is non-trade related, unsecured, non-interest bearing and is repayable on demand.

11. OTHER INVESTMENT

	GROUP RM
Available-for-sale financial assets	
Unit trusts, at fair value	**646,604**
Market value	**646,604**

12. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks are pledged to licensed banks as securities for banking and credit card facilities granted to the Group.

The effective interest rates and maturities of fixed deposits at the end of the reporting period range from 3.05% to 3.20% per annum and 1 to 12 months respectively.

13. CASH AND BANK BALANCES

	GROUP RM	COMPANY RM
Cash and bank balances	**6,098,982**	**2**
Short term deposits	**26,760,000**	**-**
	32,858,982	**2**

Short term deposits represent money market deposit which earns effective interest of 3.20% per annum and are placed for a period of 7 to 11 days.

The currency profile of cash and bank balances is as follows:

	GROUP RM	COMPANY RM
Ringgit Malaysia	**28,101,806**	**2**
US Dollar	**4,619,773**	**-**
Singapore Dollar	**137,403**	**-**
	32,858,982	**2**

14. CAPITAL AND RESERVES

14.1 Share capital

	Number of ordinary shares of RM0.10 each	Amount RM
Authorised:		
Balance at incorporation	**4,000,000**	**400,000**
Created during the financial period	**996,000,000**	**99,600,000**
At 30 September 2015	**1,000,000,000**	**100,000,000**

	Number of ordinary shares of RM0.10 each	Amount RM
Issued and fully paid:		
Balance at incorporation	**20**	**2**
Issued for acquisition of a subsidiary	**351,059,980**	**35,105,998**
Public issue	**87,790,000**	**8,779,000**
At 30 September 2015	**438,850,000**	**43,885,000**

Subsequent to its date of incorporation, the Company increased its authorised share capital from RM400,000 to RM100,000,000 by the creation of an additional 996,000,000 ordinary shares of RM0.10 each.

As part of the listing scheme disclosed in Note 29 to the financial statements, the Company had during the financial period issued:

a) 351,059,980 new ordinary shares of RM0.10 each at par as consideration for the acquisition of ACSB; and

b) 87,790,000 new ordinary shares of RM0.10 each as part of the Initial Public Offering exercise at RM0.28 per ordinary share.

14.2 **Share premium**

	GROUP AND COMPANY RM
Balance at incorporation	-
Arising from public issue	**15,802,200**
Share issue expenses	**(592,107)**
	15,210,093

Share premium comprises the premium paid on subscriptions of shares in the Company over and above the par value of the shares, net of transaction costs associated with the issuing of shares.

14.3 **Merger deficit**

The merger deficit comprises the differences between the cost of merger and the nominal value of shares acquired in ACSB as stated in Note 5.

15. BORROWINGS

	GROUP RM
Non-current liabilities	
Finance lease liabilities	
Minimum payments:	
Within 1 year	**101**
Future finance charges	**(1)**
	100
Amount due within 1 year under current liabilities	**(100)**
	-
Term loan	
Total amount repayable	
Within 1 year	**132,881**
Amount due within 1 year under current liabilities	**(5,136)**
	127,745
	127,745
Current liabilities	
Finance lease liabilities	**100**
Term loan	**5,136**
	5,236
Total borrowings	**132,981**

The finance lease liabilities are secured over the leased assets (Note 4).

The term loan is secured over the Group's freehold commercial lot.

A summary of the effective interest rates and the maturities of the borrowings are as follows:

	Average effective interest rate per annum (%)	Total RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
Finance lease liabilities	**1.23**	**100**	**100**	**-**	**-**	**-**
Term loan	**6.35**	**132,881**	**5,136**	**5,472**	**18,657**	**103,616**

16. **TRADE PAYABLES**

The currency profile of trade payables is as follows:

	GROUP RM
Ringgit Malaysia	**683,174**
US Dollar	**3,275,606**
Euro	**39,942**
Singapore Dollar	**3,119**
Sterling Pound	**2,656**
	4,004,497

The trade payables are non-interest bearing and are normally settled within 30 to 90 days credit terms.

17. **OTHER PAYABLES AND ACCRUALS**

	GROUP RM	COMPANY RM
Other payables	**827,309**	**157,052**
Accruals	**2,353,146**	**419,365**
Deferred income	**194,287**	**-**
	3,374,742	**576,417**

The currency profile of other payables and accruals is as follows:

	GROUP RM	COMPANY RM
Ringgit Malaysia	**3,261,870**	576,417
US Dollar	**112,872**	-
	3,374,742	576,417

18. **PROVISION FOR WARRANTY**

	GROUP RM
Balance at incorporation	**-**
Acquisition of a subsidiary	**184,366**
Additions	**261,400**
Reversal	**(184,366)**
Balance at end	**261,400**

The provision for warranty is in respect of warranty granted on products sold. The provision is calculated based on approximately 2.5% of cost of products sold.

19. **REVENUE**

	GROUP RM
Sale of goods	**31,487,889**
Services rendered	**1,103,395**
	32,591,284

20. PROFIT/(LOSS) BEFORE TAXATION

This is arrived at:

		GROUP RM	COMPANY RM
	After charging:		
	Auditors' remuneration:		
	- Statutory audit	**38,000**	**13,000**
	- Other service	**3,000**	**3,000**
	Depreciation	**501,903**	**-**
	Directors' fee - non-executive	**52,360**	**40,000**
	Interest expense on:		
	- Bank overdraft	**3,000**	**-**
	- Finance lease	**237**	**-**
	- RCPS	**63,715**	**-**
	- Term loan	**8,612**	**-**
	Listing expenses	**1,149,244**	**997,941**
	Property, plant and equipment written off	**85,981**	**-**
	Provision for warranty	**77,034**	**-**
*	Research and development expenditure	**2,714,623**	**-**
	Rental of equipment	**80,466**	**-**
	Rental of premises	**520,831**	**-**
**	Staff costs	**5,042,626**	**-**
	And crediting:		
	Dividend income from investment in unit trusts	**20,629**	**-**
	Interest income	**111,829**	**28,701**
	Realised gain on foreign exchange	**1,777,988**	**-**
	Rental income	**11,400**	**-**
	Unrealised gain on foreign exchange	**90,071**	**-**

		GROUP RM
*	**Research and development expenditure**	
	- Staff costs	**2,714,623**
**	**Staff costs**	
	- Salaries, allowance and bonus	**6,937,625**
	- EPF	**773,353**
	- SOCSO	**46,271**
		7,757,249
	Less: Charge to research and development expenditure	**(2,714,623)**
		5,042,626

Included in the staff costs are directors' emoluments as shown below:

	GROUP RM
Directors' emoluments	
- Salaries, allowance and bonus	**913,532**
- EPF	**109,919**
	1,023,451

21. **TAXATION**

	GROUP RM	COMPANY RM
Malaysian income tax:		
Based on results for the period		
- Current tax	**(53,943)**	**(7,175)**
- Deferred tax relating to the origination and reversal of temporary differences	**15,929**	**-**
	(38,014)	**(7,175)**
Over provision of current tax in prior year	**3,296**	**-**
	(34,718)	**(7,175)**

The reconciliation of tax expense of the Group and of the Company are as follows:

	GROUP RM	COMPANY RM
Profit/(Loss) before taxation	**9,101,751**	**(1,194,105)**
Income tax at Malaysian statutory tax rate of 25%	**(2,275,438)**	**298,526**
Expenses not deductible for tax purposes	**(437,223)**	**(305,701)**
Income not subject to tax	**278,004**	**-**
Pioneer income not subject to tax	**2,365,778**	**-**
Net deferred tax movement not recognised*	**30,865**	**-**
	(38,014)	**(7,175)**
Over provision in prior year	**3,296**	**-**
	(34,718)	**(7,175)**

* The deferred tax movement not recognised is in respect of temporary difference arising from the following:

	GROUP RM
Property, plant and equipment	**111,000**
Provisions	**13,000**
	124,000

The subsidiary of the Group had obtained the Multimedia Super Corridor status with pioneer status tax incentive. Under this tax incentive, 100% of the statutory income derived from the design and assembly of automated test equipment and test and measurement instruments and the provision of related design consultancy services, will be exempted from income tax up to 7 September 2018.

22. EARNINGS PER SHARE

GROUP

22.1 Basic earnings per share

Basic earnings per share of the Group is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial period as follows:

Profit attributable to owners of the Company (RM)	**9,067,033**
Weighted average number of ordinary shares of RM0.10 each	**354,667,808**
Basic earnings per share (sen)	**2.56**

In the calculation of earnings per share for the financial period, it is assumed that 351,060,000 ordinary shares were in issue since the inception of the Group.

22.2 Diluted earnings per share

There is no diluted earnings per share as the Company does not have any dilutive potential ordinary shares as at the end of the reporting period.

23. SEGMENTAL REPORTING

Business Segments

GROUP

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group has only one reportable business segment, i.e. electronic tester segment which is involved in the designing and assembling of automated test equipment and test and measurement instruments. As such, no operating segment information is prepared.

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue RM	Non-current assets RM
Malaysia	**11,954,718**	**18,018,838**
Singapore	**11,539,775**	-
China	**4,348,251**	-
United states of America	**4,026,330**	-
Other countries	**722,210**	-
	32,591,284	**18,018,838**

Non-current assets information presented above consists of the following items as presented in the Group's statement of financial position.

	RM
Property, plant and equipment	**4,332,503**
Intangible assets	**13,686,335**
	18,018,838

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	RM
All common control companies of:	
- Customer X	**11,478,193**
- Customer Y	**4,359,809**

24. RELATED PARTY DISCLOSURES

(a) Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and to the Company, if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making any financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

(b) Related party transaction

There were no related party transactions during the financial period under review.

(c) Compensation of key management personnel

The Group has no other members of key management personnel apart from the executive directors whose compensation has been shown in Note 20.

Key management personnel are those persons including directors having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company, directly or indirectly.

25. GOVERNMENT GRANT

The subsidiary of the Group has been granted approval by the Malaysian Investment Development Authority (“MIDA”), vide MIDA’s letter dated 6 June 2013 to receive the following grants under the Domestic Investment Strategic Fund pertaining to the subsidiary’s activity in “Radio Frequency (RF) Semiconductor Tester”:

(i) a “matching 1:1 research & development grant” up to RM4,387,276, for a period of two (2) years commencing 2013; and

(ii) a “matching 1:1 training grant” up to RM120,300, for a period of two (2) years commencing 2013.

As at the end of the reporting period, RM1,645,218 has been disbursed to the subsidiary for research and development purposes.

26. COMMITMENTS

	GROUP RM
Capital commitments	
Contracted but not provided for:	
- Property, plant and equipment	**313,834**

27. FINANCIAL INSTRUMENTS

27.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as :

(i) Available-for-sale financial assets ("AFS");
(ii) Loans and receivables ("L&R"); and
(iii) Financial liabilities measured at amortised cost ("FL").

GROUP	Carrying amount RM	L&R RM	AFS RM	FL RM
Financial assets				
Trade receivables	**9,311,260**	**9,311,260**	**-**	**-**
Other receivables and refundable deposits	**1,767,548**	**1,767,548**	**-**	**-**
Other investment	**646,604**	**-**	**646,604**	**-**
Fixed deposits with licensed banks	**1,434,226**	**1,434,226**	**-**	**-**
Cash and bank balances	**32,858,982**	**32,858,982**	**-**	**-**
	46,018,620	**45,372,016**	**646,604**	**-**
Financial liabilities				
Borrowings	**132,981**	**-**	**-**	**132,981**
Trade payables	**4,004,497**	**-**	**-**	**4,004,497**
Other payables and accruals	**3,180,455**	**-**	**-**	**3,180,455**
	7,317,933	**-**	**-**	**7,317,933**

	Carrying amount RM	L&R RM	AFS RM	FL RM
COMPANY				
Financial assets				
Other receivable	**5,300**	**5,300**	**-**	**-**
Amount due from a subsidiary	**23,366,105**	**23,366,105**	**-**	**-**
Cash and bank balances	**2**	**2**	**-**	**-**
	23,371,407	**23,371,407**	**-**	**-**
Financial liabilities				
Other payables and accruals	**576,417**	**-**	**-**	**576,417**

27.2 Financial risk management

The Group and the Company are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative activities.

27.2.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group's exposure to credit risk arises principally from its trade receivables. The Company's exposure to credit risk arises principally from advances to subsidiary.

i. **Trade receivables**

The Group extends to existing customers credit terms ranging from 30 to 90 days. In deciding whether credit shall be extended, the Group will take into consideration factors such as the relationship with the customer, its payment history and credit worthiness. The Group subject new customers to credit verification procedures. In addition, debt monitoring procedures are performed on an on-going basis with the result that the Group's exposure to bad debts is not significant.

	GROUP RM
Not past due	**5,032,667**
1 to 30 days past due	**995,201**
31 to 60 days past due	**277,583**
Past due more than 60 days	**3,005,809**
	4,278,593
	9,311,260

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial period.

The Group has trade receivables amounting to RM4,278,593 that are past due as at the end of the reporting period but not impaired as the management is of the view that these debts will be collected in due course.

The Group has concentration of credit risk in the form of outstanding balance due from 4 customers representing 62% of the total trade receivables.

ii. **Intercompany balances**

The Company provides advances to its subsidiary and monitors the results of the subsidiary regularly.

The maximum exposure to credit risk is represented by their carrying amount in the Company's statement of financial position.

As at the end of the reporting period, there was no indication that the advances to its subsidiary are not recoverable. The Company does not specifically monitor the ageing of the advances to its subsidiary.

27.2.2 **Liquidity risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group and the Company actively manage their debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on the undiscounted contractual payments:

	Carrying amount RM	Contractual cashflows RM	Within one year RM	More than one year and less than two years RM	More than two years and less than five years RM	More than five years RM
GROUP						
Interest bearing borrowings	**132,981**	**208,489**	**13,527**	**13,426**	**40,278**	**141,258**
Trade payables	**4,004,497**	**4,004,497**	**4,004,497**	**-**	**-**	**-**
Other payables and accruals	**3,180,455**	**3,180,455**	**3,180,455**	**-**	**-**	**-**
	7,317,933	**7,393,441**	**7,198,479**	**13,426**	**40,278**	**141,258**
COMPANY						
Other payables and accruals	**576,417**	**576,417**	**576,417**	**-**	**-**	**-**

27.2.3 **Interest rate risk**

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate instruments are exposed to a risk of change in cash flows due to changes in interest rates.

The interest rate profile of the Group's interest bearing financial instruments based on the carrying amounts as at the end of the reporting period is as follows:

	GROUP RM
Fixed rate instruments	
Financial assets	**28,194,226**
Financial liabilities	**100**
Floating rate instruments	
Financial liabilities	**132,881**

Sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Sensitivity analysis for variable rate instruments

An increase or decrease of 25 basis point at the end of reporting period would not have a material impact on the results of the Group.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

27.2.4 **Foreign currency risk**

The objectives of the Group's foreign exchange policy are to allow the Group to manage exposures that arise from trading activities effectively within a framework of controls that does not expose the Group to unnecessary foreign exchange risks.

The Group is exposed to foreign currency risk mainly on sales and purchases that are denominated in a currency other than the Group's functional currency. The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. The currencies giving rise to this risk are primarily US Dollar ("USD") and Singapore Dollar ("SGD").

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting period is as follows:

	Denominated in		
	USD RM	**SGD RM**	**OTHERS RM**
GROUP			
Trade receivables	**6,471,340**	**-**	**-**
Cash and bank balances	**4,619,773**	**137,403**	**-**
Trade payables	**(3,275,606)**	**(3,119)**	**(42,598)**
Other payable	**(112,872)**	**-**	**-**
Net exposure	**7,702,635**	**134,284**	**(42,598)**

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currency exchange rates against Ringgit Malaysia, with all other variables held constant, of the Group's profit before taxation. A 10% strengthening of the RM against the following currencies at the end of the reporting period would have decreased profit before taxation by the amount shown below and a corresponding weakening would have an equal but opposite effect.

	GROUP RM
US Dollar	**(770,264)**
Singapore Dollar	**(13,428)**
Others	**4,260**
Decrease in profit before taxation	**(779,432)**

27.3 **Fair value information**

GROUP AND COMPANY

The carrying amounts of the financial assets and financial liabilities of the Group and of the Company as at the end of the reporting period approximate their fair values due to their short term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

27.3.1 **Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

Level 1 Fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
GROUP				
Available-for-sale financial assets				
- Unit trusts	**646,604**	**-**	**-**	**646,604**

28. **CAPITAL MANAGEMENT**

The primary objective of the Group's capital management policy is to maintain a strong capital base to support its businesses and maximise shareholders' value.

The Group manages its capital structure and make adjustments to it in the light of changes in economic conditions or expansion of the Group. The Group may adjust the capital structure by issuing new shares, returning capital to shareholders or adjusting the amount of dividends to be paid to shareholders or sell assets to reduce debts. A bank of the subsidiary has imposed a debt covenant whereby the subsidiary's gearing ratio shall not exceed 1. The subsidiary has not breached this covenant as it is in a net cash position.

29. **SIGNIFICANT EVENT**

In conjunction with, and as an intergral part of the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:

(i) Acquisition of ACSB

On 24 July 2015, the Company acquired the entire equity interest in ACSB comprising 208,478,775 ordinary shares of RM0.10 each for a total purchase consideration of RM35,105,998 satisfied by the issuance of 351,059,980 new ordinary shares of RM0.10 each in the Company at par.

(ii) Initial Public Offering and Listing

Upon completion of the acquisition of ACSB, the Company undertook the following:

(a) A public issue of 87,790,000 new ordinary shares of RM0.10 each in the Company and an offer for sale of 43,885,000 existing ordinary shares of RM0.10 each in the Company by the Offerors, at an issue/offer price of RM0.28 per share.

(b) Listing of and quotation for its entire enlarged paid-up share capital, comprising 438,850,000 ordinary shares of RM0.10 each on the ACE Market of Bursa Malaysia Securities Berhad.

The listing was completed on 15 September 2015.

30. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements of the Group and of the Company.

31. DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSS)

The breakdown of retained profits of the Group and of the Company as at the end of the reporting period has been prepared by the Directors in accordance with the directives from Bursa Malaysia Securities Berhad and the 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, are as follows:

	GROUP RM	COMPANY RM
Total retained profits/(loss) of the Company and its subsidiary		
- Realised	**21,924,184**	**(1,201,280)**
- Unrealised	**144,381**	**-**
Total retained profits/(loss) as per statements of financial position	**22,068,565**	**(1,201,280)**