Company No.: LL12180

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia
under the Labuan Companies Act, 1990)

REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2017

Company No.: LL12180

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

REPORTS AND FINANCIAL STATEMENTS - 31 DECEMBER 2017

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ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	1. Alisher Kurbanov 2. Jabeer Kannankattu Mangalatu 3. Mohan KrishnanValamana
CORPORATE SECRETARY	:	BBS Business Management Sdn Bhd
REGISTERED OFFICE	:	Unit Level 4 (A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, 87000 Federal Territory of Labuan, Malaysia
PRINCINPAL PLACE OF BUSINESS	:	Unit Level 11(A), Main Office Tower Financial Park Labuan Jalan Merdeka 87000 Federal Territory of Labuan, Malaysia
AUDITORS	:	MAZARS PLT (LLP0010622-LCA)(AAL 0047) Wisma Selangor Dredging 11th Floor, South Block 142A Jalan Ampang 50450 Kuala Lumpur Malaysia.
PLACE OF INCORPORATION AND DOMICILE	:	Federal Territory of Labuan, Malaysia

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

STATEMENT BY DIRECTOR

I, Alisher Kurbanov, being the director of Ice-FX Markets Limited, do hereby state that, in my opinion, the financial statements for the year ended 31 December 2017 as set out on pages 7 to 26 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of its financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Labuan Companies Act, 1990 in Malaysia.

Signed on behalf of the board of directors in accordance with a directors' resolution.

ALISHER KURBANOV
Director

Federal Territory of Labuan

Date:

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

Report on the Financial Statements

Opinion

We have audited the financial statements of Ice-FX Markets Limited, which comprise the statement of financial position as at 31 December 2017 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Labuan Companies Act, 1990 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants* ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Material Uncertainty Related to Going Concern

We draw attention to note 2 in the financial statements which indicates that the Company had a capital deficiency of USD474,274 as of 31 December 2017 and the Company incurred a net loss of USD150,342 for the year then ended. These events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information, if any. There were no other information included, together with this financial statements.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Labuan Companies Act, 1990 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 117 of the Labuan Companies Act, 1990 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

MAZARS PLT LLP0010622-LCA AAL 0047 Chartered Accountants	FRANCIS XAVIER JOSEPH 02997/06/2020 J Chartered Accountant

Kuala Lumpur

Date:

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 USD	2016 USD
ASSETS			
Non-current asset			
Intangible assets	*6*	30,922	41,229
Current assets			
Trade receivables	*7*	-	49,134
Other receivables	*8*	2,039,514	369,500
Cash and cash equivalents	*9*	113,366	27,605
Total current assets		2,152,880	446,239
TOTAL ASSETS		2,183,802	487,468
EQUITY AND LIABILITIES			
Equity			
Share capital	*10*	100,000	100,000
Accumulated losses		(574,274)	(423,932)
Capital deficiency		(474,274)	(323,932)
Current liabilities			
Other payables and accruals	*11*	776,009	1,700
Amount due to a related company	*12*	269,768	-
Amount due to a shareholder	*13*	1,612,299	809,700
Total current liabilities		2,658,076	811,400
Total liabilities		2,658,076	811,400
TOTAL EQUITY AND LIABILITIES		2,183,802	487,468

The accompanying notes form an integral part of the financial statements

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 USD	2016 USD
Revenue	*14*	121,511	49,134
Cost of sales		-	(58,247)
Gross profit/(loss)		121,511	(9,113)
General and administration expenses		(271,853)	(401,744)
Loss before tax	*15*	(150,342)	(410,857)
Income tax	*16*	-	-
Loss for the year		(150,342)	(410,857)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year		(150,342)	(410,857)

The accompanying notes form an integral part of the financial statements

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital USD	Accumulated losses USD	Capital deficiency USD
At 1 January 2016	100,000	(13,075)	85,925
Total comprehensive loss for the year	-	(410,857)	(410,857)
At 31 December 2016	100,000	(423,932)	(323,932)
Total comprehensive loss for the year	-	(150,342)	(150,342)
At 31 December 2017	100,000	(574,274)	(474,274)

The accompanying notes form an integral part of the financial statements

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 USD	2016 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(150,342)	410,857)
Adjustment for:		
Amortisation of intangible assets	10,307	10,307
Operating loss before working capital changes	(140,035)	(400,550)
Changes in receivables	(1,620,880)	(398,634)
Changes in payables	1,300	1,200
Net cash (used in)/generated from operating activities	(1,759,615)	797,984
CASH FLOW FROM OPERATING ACTIVITY		
Purchase of intangible assets, representing net cash used in investing activity	-	(51,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing from shareholders	802,599	769,600
Advances from customers	773,009	-
Advances from related companies	269,768	-
Net cash generated from financing activities	1,845,376	769,600
NET CHANGES IN CASH AND CASH EQUIVALENTS	85,761	(79,920)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	27,605	107,525
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	113,366	27,605

The accompanying notes form an integral part of the financial statements

ICE-FX MARKETS LIMITED
(Incorporated in Federal Territory of Labuan, Malaysia)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in the Federal Territory of Labuan, Malaysia. The addresses of the principal place of business and registered office of the Company are disclosed in page 1.

The principal activity of the Company is to carry on money-broking business.

There has been no significant change in the nature of this activity during the financial year.

The financial statements of the Company are expressed in United States Dollar ("USD"), which is also the functional currency of the Company.

2. FUNDAMENTAL ACCOUNTING CONCEPT

As at 31 December 2017, the Company has a capital deficiency of USD474,274 and the Company incurred a net loss of USD150,342. The financial statements have been prepared in conformity with the principles applicable to a going concern. The applicability of these principles is dependent upon continued availability of adequate finance or attaining profitable operations in the future; generating sufficient cash flows to meet the Company's financial obligations and to realise its assets and discharge its liabilities in the normal course of business. The director has confirmed his intention to make available to the Company adequate funds as and when required to maintain the Company as a going concern.

3. BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("MASB") and International Financial Reporting Standards ("IFRS") and the requirements of the Labuan Companies Act, 1990 in Malaysia.

The financial statements have been prepared on the historical cost basis, except for other measurement bases applied, including fair value, stated in the significant accounting policies set out in Note 4.

(a) Application of new or revised standards

In current year, the Company has applied a number of new standards, amendments and Issues Committee ("IC") interpretations that become effective mandatorily for the financial periods beginning on or after 1 January 2017.

The adoption of the new and revised standards, amendments and/or IC interpretations does not have significant impact on the financial statements of the Company.

(b) Standards issued that are not yet effective

The Company has not applied the following standards, amendments and IC interpretations that have been issued by the MASB but are not yet effective:

		Effective date
Amendments to MFRS 1 and MFRS 128	Annual Improvements to MFRS Standards 2014-2016 Cycle	1 January 2018
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 15	Clarification to MFRS 15	1 January 2018
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to MFRS 4	Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts*	1 January 2018
Amendments to MFRS 140	Transfers of Investment Property	1 January 2018
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
MFRS 16	Leases	1 January 2019
Amendments to MFRS 3, MFRS 11, MFRS 112 and MFRS 123	Annual Improvements to MFRS Standards 2015-2017 Cycle	1 January 2019
IC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 128	Long-term Interest in Associates and Joint Ventures	1 January 2019
Amendments to MFRS 9	Prepayment Features with Negative Compensation	1 January 2019

		Effective date
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17	Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced by the MASB

Except as otherwise indicated below, the adoption of the above new standards, amendments and IC interpretations are not expected to have significant impact on the financial statements of the Company.

MFRS 9 Financial Instruments

MFRS 9 addresses the classification, recognition, derecognition, measurement and impairment of financial assets and financial liabilities, as well as general hedge accounting. It replaces MFRS 139. MFRS 9 requires financial assets to be classified into two measurement categories, i.e. at fair value and at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to changes in an entity's own credit risk is recorded in other comprehensive income, unless this creates an accounting mismatch. MFRS 9 contains a new impairment model based on expected losses (as oppose to 'incurred loss' model under MFRS 139), i.e. a loss event needs not occur before an impairment loss is recognised, which will result in earlier recognition of losses.

The Company has reviewed the effects of adopting *MFRS 9* on its financial assets and liabilities instruments. Based on the then facts and circumstances, the adoption of *MFRS 9* does not significantly impact the Company.

MFRS 15 Revenue from Contracts with Customers

MFRS 15 introduces a new model for revenue recognition arising from contracts with customers. *MFRS 15* will replace *MFRS 111 Construction Contracts*, *MFRS 118 Revenue*, *IC 15 Agreements for the Construction of Real Estate*, *IC 18 Transfers of Assets from Customers* and *IC 31 Revenue - Barter Transactions Involving Advertising Services*. The application of *MFRS 15* will result in a difference in timing of revenue recognition as compared with current accounting policies.

The Company has performed assessment of the effects of adopting *MFRS 15*. Based on the then facts and circumstances, the adoption of *MFRS 15* does not significantly impact the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Intangible assets

The Company's intangible assets which are acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives of 5 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with finite useful life are reviewed at least at each reporting date.

Research and development

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

Costs incurred on development projects are capitalised as assets when the following criteria are fulfilled:

(i) it is technically feasible to complete the intangible asset so that it will be available for use or sale;

(ii) management intends to complete the intangible asset and use or sell it;

(iii) there is an ability to use or sell the intangible asset;

(iv) it can be demonstrated how the intangible asset will generate probable future economic benefits;

(v) adequate technical, financial and other resources, to complete the development projects and to use or sell the intangible asset, are available; and

(vi) the expenditure attributable to the intangible asset during its development can be reliably measured.

Capitalised development costs are measured at cost less accumulated amortisation and impairment losses, if any. Development costs initially recognised as an expense is not recognised as an asset in the subsequent period. Other development costs that do not meet these criteria are recognised as an expense when incurred.

The development costs are amortised on a straight-line basis over its useful life not exceeding 5 years from the point at which the asset is ready for sale or use.

The amortisation method, useful lives and residual value are reviewed, and adjusted if appropriate, at the end of each reporting period.

(b) Impairment of non-financial assets

Intangible asset is assessed at the end of each reporting period to determine whether there is any indication of impairment.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the assets. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

Any reversal of an impairment loss as a result of a subsequent increase in recoverable amount should not exceed the carrying amount that would have been determined (net of amortisation or depreciation, if applicable) had no impairment loss been previously recognised for the asset.

(c) Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Initial recognition and measurement

A financial instrument is recognised in the financial statements when, and only when, the Company becomes 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, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

<u>Financial assets</u>

The Company has financial assets classified as loans and receivables.

Loans and receivables

Loans and receivables are included in current assets, except for maturities greater than 12 months after the reporting date, which are classified as non-current assets.

The subsequent measurement of financial assets in this category is at amortised cost using the effective interest method, less allowance for impairment losses.

Financial liabilities

The Company has financial liabilities classified as financial liabilities at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

(iii) Derecognition of financial assets and liabilities

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 together with any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, 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.

(d) Impairment of financial assets

All financial assets 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 equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss 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. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

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 to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(e) Equity Instruments

Proceeds from ordinary shares issued are classified as equity. Cost directly attributable to the issuance of shares is accounted for as a deduction from equity.

Dividends to shareholders are recognised in equity in the period in which they are declared.

(f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty.

Rendering of services

Revenue from rendering of services is recognised in the profit or loss upon performance of service.

(g) Foreign currencies

(i) *Functional and Presentation Currency*

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

The financial statements are presented in USD, which is also the functional and presentation currency of the Company.

(ii) *Transactions and balances in foreign currencies*

Transactions in currencies other than the functional currency ("foreign currencies") are recorded in the functional currency using the exchange rate ruling at the date of the transactions.

Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in the income statement for the period.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated using the exchange rates ruling at the date of the initial transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rate ruling at the date when the fair value was determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any corresponding exchange gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in the profit or loss, any corresponding exchange gain or loss is recognised in the profit or loss.

(h) Employee benefits

(i) *Short-term employee benefits*

Wages, salaries, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees.

(ii) *Post-employment benefits*

The Company pays monthly contributions to the Employees Provident Fund (“EPF”) which is a defined contribution plan.

The legal or constructive obligation of the Company is limited to the amount that it is required to contribute to the EPF. The Company’s contributions to the EPF are charged to the income statement in the period to which they relate.

(i) Taxation

The tax expense relates to the tax payable under the Labuan Business Activity Tax Act, 1990 (“LBATA”). Under LBATA, the tax expense are computed based on 3% of audited net profit or RM20,000 as maximum rate, upon election made under Section 7(1) of the said Act.

(j) Provision

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(k) Cash and cash equivalents

Cash and cash equivalents are cash in hand, short term and highly liquid investments that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management’s best knowledge of current events and actions, historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The 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.

Critical judgement made in applying accounting policies

There is no critical judgement in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the end of the reporting period that have significant risk of causing material adjustments to the carrying amount of assets and liabilities are discussed below:

(i) *Development costs*

Initial capitalisation of cost is based on the directors' judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, the directors make assumptions regarding the expected future cash generation of the project, discount rate to be applied and the expected period of benefits. As at 31 December 2017, the carrying amount of development costs capitalised is disclosed in Note 6 to the financial statements

(ii) *Impairment of loans and receivables*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivables 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 for assets with similar credit risk characteristics. The carrying amounts of the receivables are disclosed in Notes 7 and 8 to the financial statements.

6. INTANGIBLE ASSETS

	Development costs	
	2017	2016
Cost	USD	USD
At 1 January/31 December	51,536	51,536
Accumulated amortisation		
At 1 January	10,307	-
Amortisation for the year	10,307	10,307
At 31 December	20,614	10,307
Net book value at 31 December	30,922	41,229

7. TRADE RECEIVABLES

	2017	2016
	USD	USD
Net trade receivables	-	49,134

The Company's normal trade terms range from cash term to 30 days from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

8. OTHER RECEIVABLES

	2017	2016
	USD	USD
Deposits	2,039,514	369,500

9. CASH AND CASH EQUIVALENTS

The currency exposure profile of cash and cash equivalents is as follows:

	2017 USD	2016 USD
United States Dollar	92,824	27,145
Euro	20,542	460
	113,366	27,605

10. SHARE CAPITAL

	2017 USD	2016 USD
Issued and fully paid:		
100,000 of ordinary shares		
At 1 January/31 December	100,000	100,000

11. OTHER PAYABLES AND ACCRUALS

	2017 USD	2016 USD
Accruals	3,000	1,700
Deposits from customers	773,009	-
	776,009	1,700

12. AMOUNT DUE TO A RELATED COMPANY

The amounts due to a related company is trade in nature and is expected to be settled within the normal credit period.

13. AMOUNT DUE TO A SHAREHOLDER

The amount due to a shareholder represents unsecured, interest-free advances which is repayable on demand.

14. REVENUE

Revenue represents invoiced value of services rendered.

15. LOSS BEFORE TAX

	2017 USD	2016 USD
Loss before tax for the year is stated after charging:		
Auditors' remuneration	2,500	1,200
Amortisation of intangible assets	10,307	10,307
Realised loss on foreign exchange	-	1,904
Rental and utilities expenses	-	3,924
	=======	=======

16. INCOME TAX

	2017 USD	2016 USD
Loss before tax	(150,342)	(410,857)
	=======	=======
Income tax calculated at Labuan statutory tax rate of 3%	(4,510)	(12,326)
Tax effects of expenses not deductible for the tax purpose	4,510	12,326
	------------	------------
	-	-
	=======	=======

17. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

	2017 USD	2016 USD
Financial assets		
Loans and receivables:		
Trade receivables	-	49,134
Other receivables	2,039,514	369,500
Cash and cash equivalents	113,366	27,605
	------------	------------
Total financial assets	2,152,880	446,239
	=======	=======

	2017 USD	2016 USD
Financial liabilities		
At amortised cost:		
Other payables and accruals	776,009	1,700
Amount due to a related company	269,768	-
Amount due to a shareholder	1,612,299	809,700
	------------	------------
Total financial liabilities	2,658,076	811,400
	=======	=======

(b) Fair value of financial instruments

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

The carrying amount of financial assets and other financial liabilities of the Company at the reporting date approximate or were at their fair values in view of their short term in nature.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities are exposed to a variety of financial risks, including foreign currency exchange risk, credit risk and liquidity and cash flow risks.

The Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Company.

Financial risk management is carried out through risk reviews, internal control systems and adherence to financial risk management policies.

The Company's management reviews and agrees on policies for managing each of the financial risks and they are summarised below.

(a) Foreign currency exchange risk

The Company is exposed to foreign currency exchange risk as a result of transactions denominated in foreign currencies other than its functional currency entered into by the Company. The Company's exposure to foreign currency exchange risk is monitored on an ongoing basis.

The Company is exposed to foreign currency exchange risk arising from transactions in foreign currencies of cash and bank balances. However, the foreign currencies denominated monetary items are not material, accordingly the sensitivity analysis has not been presented.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's objective is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Company trades with all third parties but will only provide credit terms upon approval of the management. The receivables balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents are placed with reputable financial institutions.

The ageing analysis of trade receivables as at end of the reporting period was as follows:

	2017		2016	
	Gross USD	Impairment USD	Gross USD	Impairment USD
Neither past due nor impaired	-	-	49,134	-
	-	-	49,134	-

(c) Liquidity and cash flow risks

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities, if any.

The objective if liquidity management is to ensure that the Company has sufficient funds to meet its contractual and financial obligations. The Company manages it liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flow. The Company's objective is to maintain a balance between continuity of funding and flexibility through the support from directors or shareholders.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

2017	On demand or within one year USD	One to five years USD	Total USD
Other payables and accruals	776,009	-	776,009
Amount owing to a related company	269,768	-	269,768
Amount due to a shareholder	1,612,299	-	1,612,299
	2,658,076	-	2,658,076
2016			
Other payables and accruals	1,700	-	1,700
Amount due to a shareholder	809,700	-	809,700
	811,400	-	811,400

19. CAPITAL MANAGEMENT

The Company intends to manage its capital to ensure that the Company will be able to continue as a going concern in order to provide returns for shareholders and to sustain future development of the business.

Management reviews and manages the capital structure regularly. Where necessary, the Company obtains financial support from corporate shareholders to ensure an optimal capital structure and shareholders' return.

20. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements were authorised for issuance by the board of directors on ____________.