MKINI DOTCOM SDN. BHD.
(No. Syarikat : 489718 - U)
(Incorporated in Malaysia)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

ISWARA & COMPANY
CHARTERED ACCOUNTANTS [FIRM NO. AF 0976]

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

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MKINI DOTCOM SDN. BHD.
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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Premesh Chandran A/L Jeyachandran
	:	Gan Diong Keng
	:	Chong Ton Sin(Alternate to Gan Diong Keng)
	:	Saira Shameem (Alternate to Premesh Chandran A/L Jeyachandran)
	:	Harlan Miles Mandel
COMPANY SECRETARY	:	Chee Kim Fatt @ Choi Kam Fatt
REGISTERED OFFICE	:	No. 43-2A, Jalan Thambapillai, Brickfields, 50470 Kuala Lumpur.
PRINCIPAL PLACE OF BUSINESS	:	No. 48, Jalan Kemuja, Bangsar, 59100 Kuala Lumpur
AUDITORS	:	Iswara & Company No. 43-1, Jalan Thambapillai, Brickfields, 50470 Kuala Lumpur.
PRINCIPAL BANKS	:	Standard Chartered Bank Malaysia Berhad
	:	Malayan Banking Berhad
	:	CIMB Bank Berhad
	:	Alliance Bank Malaysia Berhad
	:	RHB Bank Berhad

REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Group and the Company are principally engaged in the business of information technology, media and news service. There have been no significant changes in these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit after tax	82,690	92,237

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

DIVIDENDS

No dividends have been paid or declared since the end of the previous financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions.

SHARES AND DEBENTURES

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

DIRECTORS

The directors who held office since the date of the last report are:-

Premesh Chandran A/L Jeyachandran
Gan Diong Keng
Chong Ton Sin(Alternate to Gan Diong Keng)
Saira Shameem (Alternate to Premesh Chandran A/L Jeyachandran)
Harlan Miles Mandel

Retirement and re-election of the directors at the forthcoming Annual General Meeting will be in accordance with the Articles of Association of the Company.

REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no director has received or become entitled to receive a 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 or the fixed salary of a full time employee of the Group and of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

DIRECTORS' INTEREST

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

	Number of ordinary shares of RM 1/- each			
	As at 01.01.2012	Bought	Sold	As at 31.12.2012
Direct Interest				
Premesh Chandran A/L Jeyachandran	1,399,625	156,628	-	1,556,253
Gan Diong Keng	1,328,293	-	-	1,328,293

OTHER STATUTORY INFORMATION

Before the income statements and balance sheets of the Group and of the Company were made out, the directors took reasonable steps:-

(a) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of allowances for doubtful debts, and have satisfied themselves that there are no bad debts to be written off and that no allowance for doubtful debts to be made ; and

(b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

At the date of this report, the directors are not aware of any circumstances:-

(a) which would necessitate the writing off of bad debts or providing of allowance for doubtful debts in the financial statements of the Group and of the Company ; or

REPORT OF THE DIRECTORS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

OTHER STATUTORY INFORMATION (CONT'D)

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading ; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate ; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

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

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

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the succeeding financial year.

REPORT OF THE DIRECTORS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

AUDITORS

The auditors, **Iswara & Company**, have indicated their willingness to continue in office in accordance with Section 172(2) of the Companies Act, 1965.

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

PREMESH CHANDRAN A/L JEYACHANDRAN
Director

GAN DIONG KENG
Director

Kuala Lumpur

Dated:

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 169 (15) of the Companies Act, 1965

The directors of **MKINI DOTCOM SDN. BHD.**, state that, in their opinion, the financial statements set out on pages 10 to 24 are drawn up in accordance with the provisions of the Companies Act, 1965 and the MASB Applicable Approved Accounting Standards for Private Entities in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2012 and of the result of their business and the cash flows of the Group and of the Company for the financial year ended on that date.

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

PREMESH CHANDRAN A/L JEYACHANDRAN Director	**GAN DIONG KENG** Director

Kuala Lumpur

Dated:

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

I, **PREMESH CHANDRAN A/L JEYACHANDRAN**, the director primarily responsible for the financial management of **MKINI DOTCOM SDN. BHD.**, do solemnly and sincerely declare that the financial statements set out on pages 10 to 24 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declaration Act, 1960.

Subscribed and solemnly declared by the)
abovenamed **PREMESH CHANDRAN A/L**)
JEYACHANDRAN at Kuala Lumpur in the)
Federal Territory on)

PREMESH CHANDRAN A/L JEYACHANDRAN

Before me,

ISWARA & COMPANY

Chartered Accountants

AF : 0976

43-1, Jalan Thambapillai, Brickfields, 50470 Kuala Lumpur.

Tel : (03) 22733510
Fax : (03) 22733511
E-Mail : tharmaiswara@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MKINI DOTCOM SDN. BHD.

(No. Syarikat : 489718 - U)
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of **MKINI DOTCOM SDN. BHD.**, which comprise the balance sheets as at 31 December 2012, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 10 to 24.

Directors' Responsibility for the Financial Statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Private Entity Reporting Standards and 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 31 December 2012 and of their financial performance and cash flows for the financial year then ended.

ISWARA & COMPANY

Chartered Accountants

AF : 0976

■ 43-1, Jalan Thambapillai,
Brickfields,
50470 Kuala Lumpur.

■ Tel : (03) 22733510
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E-Mail : tharmaiswara@hotmail.com

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MKINI DOTCOM SDN. BHD. - (CONT'D)

(No. Syarikat : 489718 - U)
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Report on Other Legal and Regulatory Requirements

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

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

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

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

Other 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.

ISWARA & COMPANY
AF : 0976
Chartered Accountants

THARMA ISWARA A/L S. SUBRAMANIAM
1673 / 12 / 14 (J/PH)
Sole Practitioner

Kuala Lumpur

Dated :

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

BALANCE SHEET AS AT 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
NON CURRENT ASSETS					
Property, plant and equipment	4	146,636	164,843	144,319	160,208
Investment in subsidiaries	5	-	-	2	2
Intangible assets	6	3,198,082	3,198,082	3,198,082	3,198,082
Goodwill	7	87,457	94,184	-	-
		3,432,175	3,457,109	3,342,403	3,358,292
CURRENT ASSETS					
Inventories	8	-	1,060	-	-
Trade receivables		563,209	458,619	563,209	437,843
Other receivables, deposits and prepayments	9	719,993	1,065,334	719,993	857,985
Amount due from subsidiary company	10	-	-	50,000	252,076
Deposit with licensed banks		584,007	275,597	584,007	275,597
Cash and bank balances		586,463	364,568	485,871	364,469
		2,453,672	2,165,178	2,403,080	2,187,970
CURRENT LIABILITIES					
Trade payables		-	1,435	-	-
Other payables and accruals	11	1,168,076	1,007,618	1,090,777	1,005,291
Current tax liabilities		20,797	1,773	20,448	1,773
		1,188,873	1,010,826	1,111,225	1,007,064
NET CURRENT ASSETS		1,264,799	1,154,352	1,291,855	1,180,906
		4,696,974	4,611,461	4,634,258	4,539,198
FINANCED BY :-					
CAPITAL AND RESERVES					
Share capital	12	4,514,939	4,514,939	4,514,939	4,514,939
Capital reserve	13	78,002	78,002	78,002	78,002
Accumulated profit/(losses)		95,171	12,481	32,455	(59,782)
		4,688,112	4,605,422	4,625,396	4,533,159
NON CURRENT LIABILITY					
Deferred tax liabilities	14	8,862	6,039	8,862	6,039
		4,696,974	4,611,461	4,634,258	4,539,198

The annexed notes form an integral part of these financial statements

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

		Group		Company	
		2012	2011	2012	2011
	NOTE	RM	RM	RM	RM
REVENUE	15	1,826,913	1,674,856	1,791,994	1,631,455
DIRECT COSTS		(1,060)	(21,557)	-	-
GROSS PROFIT		1,825,853	1,653,299	1,791,994	1,631,455
Other income		3,695,023	3,729,466	3,695,023	3,729,466
Operating and administrative expenses		(5,414,007)	(5,182,689)	(5,370,950)	(5,138,560)
PROFIT FROM OPERATIONS		106,869	200,076	116,067	222,361
Finance cost		-	-	-	-
PROFIT BEFORE TAX	16	106,869	200,076	116,067	222,361
Income tax expense	17	(24,179)	(6,039)	(23,830)	(6,039)
PROFIT AFTER TAX		82,690	194,037	92,237	216,322

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MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

Group

	Share Capital RM	Capital Reserve RM	Accumulated Profits / (Losses) RM	Total RM
Balance as at 1 January 2011	4,514,939	78,002	(181,556)	4,411,385
Profit after tax	-	-	194,037	194,037
Balance as at 31 December 2011	4,514,939	78,002	12,481	4,605,422
Profit after tax	-	-	82,690	82,690
Balance as at 31 December 2012	4,514,939	78,002	95,171	4,688,112

Company

	Share Capital RM	Capital Reserve RM	Accumulated Profits / (Losses) RM	Total RM
Balance as at 1 January 2011	4,514,939	78,002	(276,104)	4,316,837
Profit after tax	-	-	216,322	216,322
Balance as at 31 December 2011	4,514,939	78,002	(59,782)	4,533,159
Profit after tax	-	-	92,237	92,237
Balance as at 31 December 2012	4,514,939	78,002	32,455	4,625,396

The annexed notes form an integral part of these financial statements

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
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CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	106,869	200,076	116,067	222,361
Adjustments for :-				
Amortisation of goodwill	6,727	13,454		
Depreciation of property, plant and equipment	45,877	44,480	43,559	42,162
Interest income	(8,410)	(8,984)	(8,410)	(8,984)
Operating profit before working capital changes	151,063	249,026	151,216	255,539
Increase/(decrease) in inventory	1,060	70	-	-
Decrease/(increase) in trade, receivables and deposit	240,751	(607,233)	12,626	(469,984)
Increase in other payables and accruals	159,023	415,091	85,486	416,902
Decrease in amount due from subsidiary company	-	119,916	202,076	37,072
Cash generated from operating activities	551,897	176,870	451,404	239,529
Tax paid	(2,332)	(3,000)	(2,332)	(3,000)
Interest income	8,410	8,984	8,410	8,984
Net cash generated from operating activities	557,975	182,854	457,482	245,513
CASH FLOWS FROM INVESTING ACTIVITY				
Purchase of property, plant and equipment	(27,670)	(56,433)	(27,670)	(56,433)
NET INCREASE IN CASH AND CASH EQUIVALENTS	530,305	126,421	429,812	189,080
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	640,165	513,744	640,066	450,986
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	1,170,470	640,165	1,069,878	640,066
CASH AND CASH EQUIVALENTS COMPRISE				
Deposit with licensed banks	584,007	275,597	584,007	275,597
Cash and bank balances	586,463	364,568	485,871	364,469
	1,170,470	640,165	1,069,878	640,066

The annexed notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

1. GENERAL INFORMATION

The Company is a private limited company incorporated and domiciled in Malaysia. The registered office of the Company is located at No.43-2A, Jalan Thambapillai, Brickfield 50470 Kuala Lumpur and the principal place of business is located at No.48 Jalan Kemuja, Bangsar, 59100 Kuala Lumpur.

The Company is principally engaged in the business of information technology, media and news service. There have been no significant changes in these principal activities during the financial year.

The financial statements of the Company are reported in Ringgit Malaysia (RM).

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared in accordance with the MASB Applicable Approved Accounting Standards for Private Entities in Malaysia and provisions of the Companies Act, 1965.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain assets. The principal accounting policies adopted are set below:-

(a) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Investments in subsidiaries are stated in the Company's financial statements at cost, less impairment losses, if any.

The results of subsidiaries acquired or disposed of during the financial year are included in the consolidated financial statements from the acquisition date or up to the effective date of disposal, where appropriate. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events similar circumstances.

All intragroup balances, transactions, income and expenses are eliminated in full on consolidation.

(b) Property, Plant and Equipment

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

(b) Property, Plant and Equipment (Cont'd)

Depreciation is provided on a straight-line basis calculated to write off the cost of each asset over its estimated useful life at the following annual rates:-

	Rate
Computers	20%
Office equipment	10%
Furniture and fittings	10%
Video Electrical	20%

The residual values and the useful lives of assets, if significant, are reviewed at each balance sheet date.

The gain or loss arising from the disposal or retirement of an asset, determined as the difference between the net disposal proceeds, if any and the carrying amount of the item, are recognised in the income statement.

Depreciation of an asset begins when it is ready for its intended use.

(c) Investment in Subsidiary

Investments in the subsidiaries are stated at cost less any allowance for permanent diminution in value.

(d) Impairment of Assets

At each balance sheet date, the Group and the Company assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amounts of assets are estimated.

When it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or a cash-generating unit) is less than its carrying amount, an impairment loss is recognised to reduce the carrying amount to its recoverable amount. An impairment loss for a cash-generating unit is firstly allocated to reduce the carrying amount of goodwill allocated to the cash-generating unit, and then, to the other non-current assets of the unit pro rata on the basis of the carrying amount of each non-current asset in the unit.

(d) Impairment of Assets (Cont'd)

An impairment loss is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation decrease.

An impairment loss recognised in prior financial periods for an asset, other than goodwill, is reversed if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation if no impairment loss had been recognised, and is recognised immediately in income statement, unless it reverses a previous revaluation, in which case it is treated as a revaluation increase.

(e) Intangible Asset – Intellectual property and Goodwill

Intangible asset is stated at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is amortised on a straight line basis over its useful life not exceeding 20 year.

(f) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis and comprises costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes materials, labour and an appropriate proportion of manufacturing overhead.

Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

(g) Receivables

Receivables are measured at anticipated realisable values. Appropriate allowances for estimated irrecoverable amounts are recognised in income statement.

(h) Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank balances that are readily convertible to a known amount of cash with an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts.

(i) Payables

Payables are stated at cost which is the consideration to be paid in the future for goods and services rendered.

(j) Provisions

A provision is recognised when the Group and the Company 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. A provision is recognised based on a reliable estimate of the amount of the obligation.

(k) Equity

Equity issued by the Company is recognised at the proceeds received, net of direct issue costs.

Dividends on ordinary shares will be recognised as liabilities when the shareholders' rights to receive the dividends are established.

(l) Revenue

Revenue is recognised as and when services are provided.

(m) Employee Benefits

i) **Short-Term Employment Benefits**

Short-term employment benefits, such as wages, salaries and social security contributions, are recognised as an expense in the financial year in which the associated services are rendered by employees of the Group and of the Company.

Short-term accumulating compensated absences, such as paid annual leave, are recognised when the employees render services that increase their entitlement to future compensated absences. Non-accumulating compensated absences, such as sick and medical leaves, are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date.

Profit-sharing and bonus plans are recognised when the Group and the Company has a present legal or constructive obligation to make payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when, and only when the Group and the Company has no realistic alternative but to make the payments.

ii) **Defined Contribution Plans**

As required by the law, the Company makes contributions to the national pension scheme, the Employees Provident Fund ("EPF").

(n) Income Taxes

Income tax comprises of current tax and deferred tax.

Current tax and deferred tax are charged or credited to equity if the tax relates to items that are credited or charged directly to equity.

Current tax liabilities are measured based on the amounts expected to be paid, using the tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is provided in full, using the liability method, on temporary differences which are the differences between the carrying amount in the financial statements and the corresponding tax base of an asset or liability at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. Deferred tax liabilities and assets are not recognised if the temporary differences arise from goodwill and for initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit. Deferred tax liabilities and assets reflect the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amounts of its assets and liabilities and are measured using the tax rates that have been enacted or substantially enacted by the balance sheet date.

The carrying amount of the deferred tax assets are reviewed at each balance sheet date, and the carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be utilised. The reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

(o) Financial Instruments

Financial instruments carried on the balance sheet include bank balances, investments, receivables, payables and borrowings. The particular recognition methods adopted are disclosed in the individual accounting policy statements associated with each item.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Group and the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

4. PROPERTY, PLANT AND EQUIPMENT

Group	Computers RM	Office equipment RM	Furnishing and fittings RM	Video productions RM	Total RM
Cost					
At 01.01.2012	228,996	199,551	74,109	38,200	540,856
Additions	18,452	5,640	3,578	-	27,670
Disposals	-	-	-	-	-
At 31.12.2012	247,448	205,191	77,687	38,200	568,526
Accumulated Depreciation					
At 01.01.2012	203,549	119,585	45,239	7,640	376,013
Charge for the financial year	15,329	17,342	5,566	7,640	45,877
Disposals	-	-	-	-	-
At 31.12.2012	218,878	136,927	50,805	15,280	421,890
Net Book Value					
At 31.12.2012	28,570	68,264	26,882	22,920	146,636
At 31.12.2011	25,447	79,966	28,870	30,560	164,843
Depreciation charge for the year ended 31.12.2011	14,842	16,779	5,219	7,640	44,480

Company	Computers RM	Office equipment RM	Furnishing and fittings RM	Video productions RM	Total RM
Cost					
At 01.01.2012	217,409	199,551	74,109	38,200	529,269
Additions	18,452	5,640	3,578	-	27,670
Disposals	-	-	-	-	-
At 31.12.2012	235,861	205,191	77,687	38,200	556,939
Accumulated Depreciation					
At 01.01.2012	196,597	119,585	45,239	7,640	369,061
Charge for the financial year	13,011	17,342	5,566	7,640	43,559
Disposals	-	-	-	-	-
At 31.12.2012	209,608	136,927	50,805	15,280	412,620
Net Book Value					
At 31.12.2012	26,253	68,264	26,882	22,920	144,319
At 31.12.2011	20,812	79,966	28,870	30,560	160,208
Depreciation charge for the year ended 31.12.2011	12,524	16,779	5,219	7,640	42,162

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

5. INVESTMENT IN SUBSIDIARY

	Company	
	2012	2011
	RM	RM
Unquoted shares, at cost	2	2

The subsidiary is:

Name of Company	:	Manage4me Sdn. Bhd.
Company no.	:	584870 - M
Place of Incorporation	:	Malaysia
Percentage of Equity Held	:	100%
Principal Activity	:	Technology service provider

6. INTANGIBLE ASSETS

	Group and Company	
	2012	2011
	RM	RM
Intellectual and business goodwill	3,198,082	3,198,082

7. GOODWILL

	Group	
	2012	2011
	RM	RM
As at 1 January	107,638	107,638
Less : Amortisation of goodwill	(20,181)	(13,454)
As at 31 December	87,457	94,184

8. INVENTORIES

	Group	
	2012	2011
	RM	RM
Kinibooks	-	1,160

9. OTHER RECEIVABLES, DEPOSIT AND PREPAYMENT

Included in other receivables, deposit and prepayment is an amount of RM 62,076 (2011: RM 203,866) due from Companies in which the director of the company have interest.

10. AMOUNT DUE FROM SUBSIDIARY COMPANY

This amount is unsecured, interest free and with no fixed terms of repayments.

11. OTHER PAYABLES AND ACCRUALS

Included in other payables and accruals is an amount of RM 51,000 (2011: RM NIL) due to a company in which the directors of the company have interest.

12. SHARE CAPITAL

	2012 RM	2011 RM
Authorised :-		
5,000,000 Ordinary shares of RM 1/- each	5,000,000	5,000,000
Issued and fully paid :-		
4,514,939 Ordinary shares of RM 1/- each	4,514,939	4,514,939

13. CAPITAL RESERVE

	Group and Company	
	2012 RM	2011 RM
Created an intellectual and business goodwill account on the basis of the special knowledge and intellectual property possessed by the professionals of the Group and the Company	3,198,082	3,198,082
Conversion by way of bonus issue of new ordinary shares on the basis of 40 new ordinary shares of RM 1 each for every one existing ordinary shares of RM 1 each	(3,120,080)	(3,120,080)
As at 31 December	78,002	78,002

14. DEFERRED TAXATION

	2012 RM	2011 RM
At 1 January	(6,039)	-
Transfer to income statement	(2,823)	(6,039)
At 31 December	(8,862)	(6,039)

Deferred taxation is in respect of the following tax effects provided for in the financial statements :-

	Group/ Company Deferred (Liability) / Asset	
	2012 RM	2011 RM
Temporary differences between depreciation and capital allowances	(2,823)	(6,039)

15. REVENUE

Revenue represents total invoice value of services provided during the year.

16. PROFIT BEFORE TAX

The following have been charged / (credited) in arriving at the profit before tax:

	Group		**Company**	
	2012 RM	2011 RM	2012 RM	2011 RM
Audit fee	5,400	7,100	4,400	6,000
Depreciation of property, plant and equipment	54,133	44,480	43,559	42,162
Director remunerations	-	172,200	-	172,200
Rental of premises	99,000	90,000	99,000	90,000
Staff costs	3,992,653	3,641,081	3,992,653	3,641,081
Provision for bad and doubtful debts	-	46,165	-	46,165
Interest income	(8,410)	(8,984)	(8,410)	(8,984)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

17. INCOME TAX EXPENSE

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Current year provision	19,559	-	19,210	-
Under/(over) provision in prior year	1,797	-	1,797	-
Deferred taxation (Note 14)	2,823	(6,039)	2,823	(6,039)
	24,179	(6,039)	23,830	(6,039)

Reconciliation of Effective Tax Expense

	Group		Company	
	2012	2011	2012	2011
	RM	RM	RM	RM
Profit before tax	106,869	200,076	116,067	222,361
Tax at the applicable tax rate of 20%	22,719	40,015	23,213	44,472
Non allowable expenses	11,592	20,560	9,609	19,562
Utilised capital allowances	(10,361)	(24,233)	(10,361)	(24,233)
Unabsorbed business losses	(4,391)	(36,342)	(3,251)	(39,801)
Under/(over) provision in prior year	1,797	-	1,797	-
Deferred taxation (Note14)	2,823	(6,039)	2,823	(6,039)
Tax expense	24,179	(6,039)	23,830	(6,039)

18. FINANCIAL RISK MANAGEMENT

The Group's financial risk management policy is to ensure adequate financial resources are available for the development of the Group's business whilst managing its risk.

The main areas of risk faced by the Group and the Company and the policy in respect of the major areas of treasury activity are set out as follows:-

(a) Credit Risk

The credit risk is controlled and monitored by the directors of the Group and of the Company. At the balance sheet date, there was no significant concentration of credit risk in the Group and the Company.

18. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Interest Rate Risk

The borrowings of the Group and of the Company are a mix of short term and long term borrowings for working capital and thus the exposure to interest rate risk is minimal.

(c) Liquidity And Cash Flow Risks

The Group and the Company ensures that cash is managed efficiently to meet working capital expenditure and other financial requirements. This is done through reliable cash forecasting to achieve the optimum use of cash resources.

19. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced sale or liquidation.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:-

(a) Bank Balance and Short Term Receivables

The carrying amounts approximated their values due to the relatively short term to maturity of these instruments.

(b) Short Term Borrowings and Other Current Liabilities

The carrying amounts approximated their fair values because of the short period to maturity of these instruments.

20. AUTHORISATION FOR ISSUE OF THE FINANCIAL STATEMENTS

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	2012 RM	2011 RM
REVENUE	1,791,994	1,631,455
OTHER INCOME		
Advertising revenue	2,302,880	1,790,421
Affiliate advertising	6,116	236,632
Grants	540,395	1,193,046
Interest received	8,410	8,984
Kinibooks	29,716	3,249
Mobile revenue	225,501	213,003
News media school	-	141,289
News syndication	280,200	86,266
Projects	275,871	37,676
Technology	25,934	18,900
	3,695,023	3,729,466
	5,487,017	5,360,921
LESS:		
OPERATING AND ADMINISTRATIVE EXPENSES	(5,370,950)	(5,138,560)
(Refer to pages 26)		
PROFIT BEFORE TAX	116,067	222,361

This Statement is prepared for the purpose of the Management's use only and does not form part of the statutory audited financial statements.

MKINI DOTCOM SDN. BHD.
(No. Syarikat: 489718 - U)
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	2012 RM	2011 RM
Advertising expenses	167,066	135,939
Audit fee	4,400	6,000
Bank charges	1,837	1,190
Bonus	213,207	188,563
Commission	56,495	51,839
Depreciation of property, plant and equipment	43,559	42,162
Directors' remuneration	-	172,200
E.P.F. contributions	349,518	304,084
Editorial expenses	395,325	301,431
Electricity and water	41,743	40,052
Insurance	6,863	13,661
Legal fee	-	82,000
Legal fees	8,000	-
License fee	840	840
Marketing expenses	8,298	27,353
Medical fees	33,634	38,115
Membership fee	2,500	-
Postage and courier	1,310	15
Printing and stationery	8,087	6,664
Professional fees	-	7,357
Projects expenses	122,840	136,492
Provision for bad and doubtful debts	-	46,165
Recruitment	127	-
Registration fee	650	-
Rental of premises	99,000	90,000
Salaries, allowances and bonus	3,398,118	3,117,096
Secretarial fee	1,189	2,127
SOCSO contributions	31,810	31,338
Staff activities	18,432	14,670
Stamping fee	650	-
Tax fee	1,160	-
Technology expenses	253,744	149,962
Telephone charges	82,011	102,419
Travelling expenses	2,515	1,261
Upkeep of office	12,622	24,318
Upkeep of office equipment	2,612	940
Website renewal	788	2,307
	5,370,950	5,138,560

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