I SYNERGY HOLDINGS BERHAD (ISY)
ARBN 606 426 831

NOTICE OF
2020 EXTRAORDINARY GENERAL MEETING
AND SHAREHOLDERS' MEETINGS

EXPLANATORY MEMORANDUM

Meeting commencing at 11:00 am on Friday, 10 April 2020

Venue is in B-1-15, Block B, 8 Avenue, Jalan Sungai Jernih 8/1,
Section 8, 46050 Petaling Jaya, Selangor, Malaysia

Disclaimer And Important Information

General

This Notice of Meeting and Explanatory Memorandum is dated 12 March 2020.
This document is important. The Explanatory Memorandum provides additional information on matters to be considered at the Meeting and forms part of the Notice of Meeting. You should read it in its entirety before making a decision on how to vote on the Resolutions to be considered at the Meeting. A proxy form for the Meeting is also enclosed. If you are in doubt as to what you should do, you should consult your legal, financial or other professional adviser.

Purpose of this document

This Explanatory Memorandum has been prepared by I Synergy Holdings Berhad (ARBN 606 426 831) **(ISY)** in relation to the Proposed Transaction to acquire a Malaysian Company, Arris Consulting Sdn Bhd **(Arris)**. Details of Proposed Transaction will be further explained in Section 4. A number of defined terms are used in this Explanatory Memorandum. These terms are explained in section 11. Unless otherwise stated, all fees quoted in this Explanatory Memorandum are exclusive of Malaysian sales and services tax (SST) and all amounts are in Malaysian Ringgit (MYR) or (MYR).

Foreign jurisdictions

The release, publication or distribution of this Explanatory Memorandum in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions, and persons outside Australia who come into possession of this Explanatory Memorandum should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Explanatory Memorandum has been prepared in accordance with laws of the Commonwealth of Australia and the information contained in this Explanatory Memorandum may not be the same as that which would have been disclosed if this Explanatory Memorandum had been prepared in accordance with the laws and regulations outside Australia.

Disclaimer as to forward-looking statements

This Explanatory Memorandum contains certain “forward-looking statements”. The forward-looking statements in this Explanatory Memorandum reflect views held only as at the date of this Explanatory Memorandum, and generally may be identified by the use of forward-looking words, such as “anticipate”, “believe”, “expect”, “project”, “forecast”, “estimate”, “likely”, “intend”, “should”, “could”, “may”, “target”, “predict”, “guidance” or “plan” or other similar words. Indications of, and guidance on, future earnings, distributions and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of ISY, Arris, and their officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in any forward-looking statements. Those risks and uncertainties include factors and risks specific to the industry in which I Synergy operates, as well as general economic conditions, prevailing exchange rates and interest rates, and conditions in the financial markets. The historical performance of ISY is no assurance of ISY’s future financial performance. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. ISY does not guarantee any particular rate of return or the performance of ISY, nor does it guarantee the repayment of capital from ISY or any particular tax treatment.

Not investment advice

The information contained in this Explanatory Memorandum does not constitute financial advice and has been prepared without taking into account the objectives, financial situation or needs of individuals (including financial and taxation issues). If you are in any doubt in relation to these matters, you should consult your financial, legal, taxation or other professional adviser.

Charts, maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Explanatory Memorandum are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available as at the date of issue of this Explanatory Memorandum.

Privacy and personal information

ISY is required to collect personal information about you to implement the Transaction. That personal information may include your name, contact details and details of your holding, together with contact details of individuals appointed as proxies, representatives of bodies corporate or attorneys at the Meeting. The collection of some of this information is required or authorised to be collected under the Corporations Act. Information may be disclosed to ISY and its related bodies corporate and advisers, print and mail service providers, share registries, securities brokers and any other service provider to the extent necessary to implement the Transaction. If the information outlined above is not collected, ISY may be hindered in, or prevented from, conducting the Meeting or implementing the Transaction effectively, or at all. If you appoint an individual as your proxy, corporate representative or attorney to vote at the Meeting you should inform that individual of the matters outlined above and that ISY has collected their personal information from you.

Contents

1 Letter From The Managing Director

Dear Shareholders,

On behalf of I Synergy Holdings Berhad, I invite you to the meeting of shareholders to be held at 11:00 am (GMT+8) on Friday, 10 April 2020 at the office of B-1-15, Block B, 8 Avenue, Jalan Sungai Jernih 8/1, Section 8, 46050 Petaling Jaya, Selangor, Malaysia (**Meeting**). If you cannot attend the meeting in person, ISY encourages you to vote by proxy.

ISY is seeking the approval of shareholders to acquire and takeover majority interest of Arris Consulting Sdn Bhd, which is now the ultimate holding company of the Arris Group of Companies with each specialising in different consulting segments. The acquisition constituted a “reverse takeover” under the Listing Rule.

The Directors of ISY believe the Proposed Transaction is in the best interests of Shareholders and recommend that you vote in favour of the Acquisition.

YOUR VOTE IS IMPORTANT

This Notice of Meeting and Explanatory Memorandum contains important information in relation to the Proposed Transaction. Please read this Notice of Meeting and Explanatory Memorandum carefully and in its entirety before making your decision and voting (whether in person, by corporate representative or by proxy) at the Meeting. If you will be attending the Meeting in person, or have any queries about the Meeting, please contact ISY on +603 2242 1333 between 10.00 am and 6.00 pm (GMT+8), Monday to Friday, prior to the Meeting.

Yours sincerely,

Dato’ Lawrence Teo
Director

2 Notice Of Meeting

I Synergy Holdings Berhad (ARBN 606 426 831) gives notice that a Meeting of the Shareholders will be held at:

Time **:** 11:00 am (GMT+8)
Date **:** Friday, 10 April 2020
Location **:** B-1-15, Block B, 8 Avenue, Jalan Sungai Jernih 8/1, Section 8, 46050 Petaling Jaya, Selangor, Malaysia.

Additional information concerning the proposed Acquisition is contained in the Explanatory Memorandum that accompanies this Notice of Meeting. The business to be considered at the Meeting is as follows:

BUSINESS OF THE MEETING

Resolution 1 – Ratification of Placement Share
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of NSX Listing Rule 6.25 and for all other purposes, Shareholders ratify the issue of 12,748,853 Shares which is valued at MYR200,000 to Mr. Lim Hock Loh and Ms. Por Yan Chew on the terms and conditions set out in the Explanatory Statement."

Details of the placement are further explained in Section 4.1 of the Explanatory Memorandum.

Resolution 2 – Acquisition of Arris Consulting Sdn Bhd by I Synergy Holdings Berhad
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

(a) I Synergy Holdings Berhad acquisition of Arris Consulting Sdn Bhd; and
(b) The issue of 347,691,767 fully paid ordinary shares which is valued at MYR22,947,657 at MYR0.066 per share to the Arris Consulting's Shareholders as consideration for the acquisition of the Arris Consulting Sdn Bhd.

Details of the acquisition are further explained in Section 4.2 of the Explanatory Memorandum.

Resolution 3 – Allotment of New Shares to Dato' Lawrence Teo
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"To issue to Dato' Lawrence Teo 14,876,609 new shares in the Company at nil cash consideration, being the consideration of service provided and to be provided to the Company in relation to capital raising activities and to remain in the BOD services."

Details of the allotment are further explained in Section 4.3 of the Explanatory Memorandum.

Resolution 4 – Approval of Proposed Share Consolidation
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That subject to the approvals of all relevant authorities, approval be and is hereby given to the Company to consolidate every five (5) existing ordinary share held by the registered shareholders of the Company into one (1) Consolidated Share credited as fully paid-up."

Details of the proposed share consolidation are further explained in Section 4.4 of the Explanatory Memorandum.

Resolution 5 – Confirmation of Appointment of Director – Mr. Lim Hock Loh
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the Director's appointment of Mr. Lim Hock Loh, appointed as a Director on 10 April 2020 be confirmed."

Details of the Directors are further explained in Section 7.1 of the Explanatory Memorandum.

Resolution 6 – Confirmation of Appointment of Director – Ms. Por Yan Chew
To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the Director's appointment of Ms. Por Yan Chew, appointed as a Director on 10 April 2020 be confirmed."

Details of the Directors are further explained in Section 7.1 of the Explanatory Memorandum.

Resolution 7 – Change of Company Name
To consider and, if thought fit, to pass, with or without amendment, the following resolution as a special resolution:

That, for the purposes of section 28 of the Malaysian Companies Act 2016 and all other purposes, approval is given for the name of the Company be changed from I Synergy Holdings Berhad to Arris Holdings Berhad.

Dated this 12 March 2020

By order of the Board

Company Secretary
I Synergy Holdings Berhad

3 Location of the Meeting and What You Need To Do

LOCATION OF MEETING

Time	**:** 11:00 am (GMT+8)
Date	**:** Friday, 10 April 2020
Location	**:** B-1-15, Block B, 8 Avenue, Jalan Sungai Jernih 8/1, Section 8, 46050 Petaling Jaya, Selangor, Malaysia.

WHAT YOU NEED TO DO

Step 1: Read both the Notice of Meeting and Explanatory Memorandum

The enclosed Explanatory Memorandum is intended to provide Shareholders with information about the proposed Acquisition contained in the Notice of Meeting. You should read the Explanatory Memorandum in full before making any decision in relation to the Acquisition.

Step 2: Vote on the Resolutions

The Meeting will be held at 11:00 am (GMT+8) on Friday, 10 April 2020 at the office of B-1-15, Block B, 8 Avenue, Jalan Sungai Jernih 8/1, Section 8, 46050 Petaling Jaya, Selangor, Malaysia.

You can vote on the Resolutions by attending the Meeting and voting in person (or for a body corporate, by a corporate representative voting for you) or by completing and returning the enclosed Proxy Form.

Proxy Forms must be received by the Registry by 11:00 am (GMT+8) on Monday, 2 April 2020. For details on how to complete and lodge the Proxy Forms, please refer to the instructions on the Proxy Forms.

4 Explanatory Memorandum

Overview of the Proposed Transaction

I Synergy Holdings Berhad (NSX:ISY) was listed on National Stock Exchange of Australia (NSX) on 31 August 2015. The Company was the parent company of I Synergy International (M) Sdn Bhd (ISI), a private limited liability company formed in Malaysia. Due to rapid business growth and planned overseas expansions, the Board considered the mainboard listing of Australian Securities Exchange (ASX) will help to raise capital needed for expansion and to enhance Shareholders' value with better share liquidity. ISY implemented a corporate restructure and acquisition strategy to become a listed company on ASX.

Upon receiving approval by ISY Shareholders and approval for ASX, ISY successfully transitioned itself in to ASX under the name of I Synergy Group Limited (ASX:IS3). Following the listing on ASX, ISY no longer have any material assets or a business and may be de-listed from the NSX, which was labelled as the "shell company" in the market. However, the Board think that it is best to have ISY to retain its listing on the NSX and is keen to look into acquiring a new asset or business to achieve it.

For these reasons, ISY has concluded that the reverse takeover of a Malaysian Company, Arris Consulting Sdn Bhd (Arris) is in the best interest for ISY and its shareholders in the current situation.

4.1 Resolution 1 – Ratification of Placement Share

Under the terms of the Letter of Intent, current shareholders of Arris, namely Mr. Lim Hock Loh and Ms. Por Yan Chew, will purchase up to MYR300,000 worth of new shares issued by ISY at a price per share mutually agreed.

ISY will issues 12,748,853 new shares to Mr. Lim Hock Loh and Ms. Por Yan Chew at the value of MYR200,000. The proceeds will be used to repay the outstanding Amount Owing to Director(s) and Other Creditors. The number of new shares will be divided with the ratio of 45:55, which translates into Mr. Lim Hock Loh holding 5,736,984 while Ms. Por Yan Chew holding 7,011,869 shares in the Company.

4.2 Resolution 2 – Acquisition of Arris Consulting Sdn Bhd by I Synergy Holdings Berhad

ISY wishes to takeover majority interest in Arris Consulting Sdn Bhd (Arris) by acquiring all of the outstanding shares. As consideration, the Company will issue 347,691,767 new ordinary shares to the Shareholders of Arris, representing an aggregated shareholding of approximately 95% of the total issued shares in ISY after completion of the transaction. This will also result in Arris' Shareholders possessing the majority of ISY equity and thus becoming the ultimate owner of ISY.

ISY will own 100% equity in Arris, which holds equity in the following companies:

Subsidiary / Associated Company	Business Nature	Equity Holding
Arris Project Advisory Sdn Bhd 200401023045 (661551-W)	Business Process Outsourcing (BPO) Corporate Finance Company Secretarial	100%
Arris MSC Sdn Bhd 200501034147 (716288-K)	Corporate Branding	100%
Arris Venture Sdn Bhd 200301006856 (609276-D)	Venture Capital	70%
Arris Venture Management Sdn Bhd 200301008821 (611241-A)	Venture Capital Management	70%
Arris Risk Planning Sdn Bhd 201701000827 (1214977-A)	Risk Management	60%
TST Arris Partners Sdn Bhd 201801013443 (1275459-T)	Business Process Outsourcing (BPO) in Australia	49%
Arris ServePlus (Australia) Pty Ltd (ACN 639 199 830)	Business Process Outsourcing (BPO) in Australia	100%
ACTP Sdn Bhd 202001008972 (1365292-X)	Audit	100%

4.3 Resolution 3 – Allotment of New Shares to Dato' Lawrence Teo

Arris will take control of the Board of Directors (BOD) of the Company with Dato' Lawrence Teo of I Synergy Holdings Berhad remaining on the BOD with an agreed equity of 5%. Hence, ISY will allot 14,876,609 new shares to Dato' Lawrence Teo after the proposed transaction of acquiring Arris has been completed. This will result in Dato' Lawrence Teo holding 5% of the capital of the Company

4.4 Resolution 4 – Approval of Proposed Share Consolidation

Following the completion of Resolution 1 to Resolution 3, the Company will seek a 5:1 consolidation of the Company's shares (I.e every 5 existing shares into 1 new ordinary share). With the Proposed Share Consolidation, the total number of ordinary shares outstanding will be 76,173,588 at par value of MYR0.33.

As the Consolidation applies equally to all of the Company's shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions). Therefore, the Consolidation will have no material effect on the percentage interest of each individual shareholder of the Company. Similarly, the aggregate value of each shareholder's holding should not materially change, other than minor changes as a result of rounding, as a result of the Consolidation alone.

The table below provides a summary of the effect of the Resolution 1 to 4 on the Company's capital structure.

Company Capital Structure	Current Share capital	Resolution 1	Resolution 2	Resolution 3	Resolution 4 (consolidate 5:1)
Issuance of New Shares	-	12,748,853	347,691,767	14,876,609	-
Total Enlarged Number of Shares	5,550,714	18,299,567	365,991,334	380,867,943	76,173,588
Price	-	MYR0.016	MYR0.066	MYR0.066	MYR0.33
Share Capital	-	MYR287,078	MYR24,155,428	MYR25,137,284	MYR25,137,284

4.5 Resolution 5 – Confirmation of Appointment of Director – Mr. Lim Hock Loh

Mr. Lim Hock Loh
Chief Executive Officer

Loh is the Executive Director of Arris Group Of Companies. In his role, Loh has continued Arris' global reach, establishing business presence in Australia and building network and alliances in America, Canada, Europe, Middle East, India, China and Hong Kong. He also holds advisory roles at ACT Partners, particularly in the areas of Information Technology, Business Development and Human Resource Management. Being a strategist, he constantly seeks out companies that are unique and dominant in their industry or market and actively helps companies reach their vision.

With more than 30 years of experience in international business, marketing, business development, management and human resource advisory, having serviced many Multi-National companies (N), he brings with him rich knowledge in business and management from Japan, Europe, America and Asia. He has provided many clients with innovative ideas and insight in helping them to growth their organisations. Loh has been involved and is knowledgeable in technology such as information technology, laser, imaging, ultrasound, precision measuring, optics and reverse engineering. This engineering knowledge has provided him with a different view in understanding high tech company and allows him to lead the Technical Committee of the venture capital management company, Arris Venture Management Sdn Bhd.

4.6 Resolution 6 – Confirmation of Appointment of Director – Ms. Por Yan Chew

Ms. Por Yan Chew
Chief Financial Officer

With more than 30 years of experience in building and directing high-performing teams and advising some of the leading companies, Chew is highly respected for her view on business and financial issues. She has a deep understanding of the challenges faced by companies competing locally or on the international stage and of the prospects presented to them by ever changing business environment. When GST was implemented in Malaysia, Chew has conducted numerous seminars on GST with the Malaysian Institute of Accountants (MIA) nationwide. She is sought-after speaker and have been engaged by business associations and organizations to conduct GST seminars. Her expertise include audit, taxation, liquidation, venture capital, corporate finance and GST. She holds leadership roles at Arris Group, including directorship in Arris Venture, Arris Venture Management, Arris Consulting, Arris Project Advisory and Arris MSC.

Prior to establishing Chew & Co., ACT Partners and Arris Group of Companies, Chew was with Arthur Andersen & Co., where she gained experience in performing audit, taxation and consulting assignments to public listed companies and multi-national companies in a wide range of industries including the banking and financial sectors. She then joined the capital market to research and analyse the financial performance of public listed companies. Her employment at a rating agency and a foreign stock broking house have enriched her knowledge in accounting, finance and of the business environment.

4.7 Resolution 7 – Change of Company Name

To reflect the principal business and brand name of Arris Consulting, ISY wishes to change the company name from I Synergy Holdings Berhad to Arris Holdings Berhad.

4.8 Financial Status Of ISY

ISY has remained as a listed shell company when the business of ISY was transferred to a new public company listed on the Australian Securities Exchange (ASX).

I SYNERGY HOLDINGS BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 AND 30 JUNE 2019

	Audited Historical 31 December 2018 MYR	**Reviewed Historical 30 June 2019 MYR**
Assets		
Current assets		
Trade and other receivables	-	-
Deposit and prepayments	28,179	-
Cash and cash equivalents	94,172	104,115
Total current assets	122,351	104,115
Total assets	122,351	104,115
Equity and liabilities		
Capital and reserves		
Contributed share capital	100,000	307,164
(Accumulated losses)/Retained profits	(326,449)	(409,049)
Equity attributable to owners of the Company	(226,449)	(101,885)
Non-controlling interest	-	-
Total equity	(226,449)	(101,885)
Current liabilities		
Trade and other payables	252,670	106,370
Accruals	2,500	6,000
Amount due to Directors	93,630	93,630
Provision for taxation	-	-
Total current liabilities	348,800	206,000
Total liabilities	348,800	206,000
Total liabilities and equity	122,351	104,115

I SYNERGY HOLDINGS BERHAD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND 30 JUNE 2019

	Audited Historical 1/1/2018 to 31/12/2018 MYR	Reviewed Historical 1/1/2019 to 30/6/2019 MYR
Revenue	-	-
Cost of sales and direct expenses	-	-
Gross profit	-	-
Other operating income	652	-
Administration expenses	(204,288)	(82,600)
Selling and distribution expenses	-	-
Other operating expenses	-	-
(Loss)/Profit before taxation	(203,636)	(82,600)
Income tax expense	-	-
(Loss) after taxation for the financial year	(203,636)	(82,600)
(Loss) attributable to:		
Non-controlling interests	-	-
Owners of the Company	(203,636)	(82,600)
Total comprehensive (loss) for the financial year	(203,636)	(82,600)

4.9 What Other Options Have Been Considered?

ISY as a shell company since March 2017, has considered other potential companies to reverse takeover ISY but failed to proceed.

X Spa Beauty

In 23 February of 2018, ISY was in a discussion with a company X Spa Beauty Sdn Bhd. The purpose of the discussions is to reach a potential acquisition of X Spa by I Synergy. Negotiations are being held with the expectation of signing a Memorandum of Understanding.

The objective of the acquisition is I Synergy to reposition its business direction after disposal of its core business in last year. The management believe that the acquisition to create and enhance value to the shareholders to allow the existing I Synergy shareholders to participate in the growth in X Spa business and expansion. It is estimated it could take 3-4 months after signing the Memorandum of Understanding where I Synergy will perform due diligence on the X Spa and call for shareholders meeting in resolving the acquisition. The purchase price will be satisfied through the issue of consideration shares. The outcome of the transaction will likely result in the shareholders of X Spa constitute the majority of the shareholding of I Synergy. The final shareholding distribution will depend of the final valuation of the X Spa business. The expectation at this stage is that a transaction will be concluded during the second quarter of 2018.

However, on 25 June 2018, ISY and X Spa agreed to cease any further discussions and consequently the acquisition of X Spa will not be proceeding. ISY and X Spa have further agreed to release and discharge the other from any and all obligations, liabilities, losses, damages, demands, claims, suits or actions of whatsoever nature arising from or in any way relating to the said negotiations. The Board considers that the cessation of negotiations is in the interests of the Company and its Shareholders as a whole and would have no material adverse impact on the financial and operational position of the Company. The Company will continue to explore other opportunities.

Golden Best Innovation Sdn Bhd

On 11 July 2018, ISY entered into a conditional Share Sale Agreement to purchase the one ordinary share in and representing the entire issue and paid up share capital of Golden Best Innovation Sdn Bhd, a private company limited by shares incorporated in Malaysia. Golden Best (Target Company) is actually the owner and beneficial holder of their Operating Company, Yunnan Yunshan Yunshui Food Co., Ltd (YSYS) through a Wholly Foreign-Owned Enterprise (WFOE) vehicle in China.

On top of that, ISY will carry out all the financial, legal and other relevant and necessary due diligence on Golden Best Innovation and YSYS. Golden Best will sell and ISY will purchase one ordinary share in and representing the entire issued and paid-up share capital of Golden Best. A$23,400,000 was to be satisfied in full by the issuance of the 90,000,000 new shares to YSYS Shareholders in the proportion of their interests in the Operating Company.

In 10 May 2019, ISY announced that the Company has found the results of the due diligence of the Golden Best and its operating company YSYS to be unsatisfactory. All three parties have mutually agreed to terminate the Conditional Share Sale Agreement. The Company has failed to acquire new business or asset to retain its listing on NSX.

4.10 Key Terms Of The Proposed Transaction As Detailed in Letter Of Intent

Transaction

The Purchaser (ISY), the Target (Arris) and the Vendors (Arris' Shareholders) will enter into a business combination whereby:

- The Purchaser will acquire all/most of the issued and outstanding securities of the Target from all the Vendors in exchange for new shares of at least amounting to ninety five percent (95%) of the total enlarged shares in the capital of the Purchaser; and
- The Vendors will purchase up to MYR300,000 worth of new shares issued by the Purchaser at an exercise price per share mutually agreed to among the Majority Shareholders and the Vendors.
- The Vendors will take control of the Board of Director (BOD) of the Purchaser and repay the money under Amount Owing to Director and Other Creditors up to MYR200,000 and the Majority Shareholders agree to reassign any other remaining amount owing to the Vendors.
- Dato' Lawrence will remain in the BOD of the Purchaser under contract for 25 months and will be paid a total fee of MYR50,000 payable MYR2,000 per month and a one time share allocation of new shares of the Purchaser to bring his equity to 5% of the final enlarged equity of the Purchaser at RTO.

Structure

To facilitate the Acquisition, the Purchaser, the Target and the Vendors agree that each will use their best efforts to formulate a structure for the Combination, which is acceptable to each of the parties to:

- Comply with all necessary legal and regulatory requirements;
- Minimize or eliminate any adverse tax consequences; and
- Be as cost effective as possible.

Conditions Precedent

The obligation of the Purchaser to purchase the Shares will be subject to satisfaction or written waiver by the Purchaser of the following conditions (the "Conditions Precedent") within 30 days after execution and delivery of the Formal Agreement:

- The Purchaser will review and approve of all materials in the possession and control of the Target and the Vendors which are germane to the decision to purchase the Shares;
- The Purchaser and its solicitors having had a reasonable opportunity to perform the searches and other due diligence reasonable or customary in a transaction of a similar nature to that contemplated herein and that both the solicitors and the Purchaser are satisfied with the results of such due diligence; and
- The Purchaser and its accountant having had a reasonable opportunity to review the audited financial statements of the Target, prepared in accordance with generally accepted accounting principles and that both the Purchaser and its accountant are satisfied with the content of such financial statements.

Conditions Precedent

- The Vendors and its accountant having had a reasonable opportunity to review the audited financial statements of the Purchaser, prepared in accordance with generally accepted accounting principles and that both the Vendors and its accountant are satisfied with the content of such financial statements;
- The Vendors obtaining the consent from any party from whom consent to the transfer of the Shares is required and are in accordance with the regulatory requirements of Malaysia, Australia and the NSX;
- The Vendors obtaining confirmation that there is no liability of any sort in the business of the Purchaser and the Purchaser continues to be a clean NSX listed shell;
- No material adverse change having occurred in connection with the Purchaser nor its Shares;
- All representations and warranties of the Purchaser and the Majority Shareholders being true;
- The Majority Shareholders will provide a written warranties to the vendors that there is no liability of any sort and the Purchaser continues to be a clean NSX listed shell;
- All covenants of the Purchaser and the Majority Shareholders having been performed in all material respects as of the Closing;
- No legal proceedings pending or threatened to enjoin, restrict or prohibit the proposed transactions contemplated in the Explanatory Memorandum; and
- Approvals from the Board of Directors of the Purchaser being obtained.

Closing
The closing (the "Closing") of the transactions contemplated by this Explanatory Memorandum will occur not later than 180 days following the satisfaction or written waiver by the Purchaser and the Vendors of the Conditions Precedent.

The Purchaser will transfer all the agreed number of newly issued shares to the Vendors for the consideration of MYR200,000.

The Closing may take place by exchange of the appropriate solicitor's undertakings, which will involve each party's solicitors delivering to his or her counterpart, all required cash and documentation, to be held in trust/escrow and not released until all such cash and documentation has been executed and delivered to the Vendors and Purchaser.

Should the Transaction cannot be completed for whatever reason/s but not limited to:

- Failure to obtain approver from NSX for this requotation plan
- Clearance from Malaysia regulatory such as Securities Commission Malaysia for the takeover/share transfer

All the cash amount held in trust/escrow will be refunded to the initial owners and all shares transfer will be undone or transferred back to the initial owners and all shares transfer will be undone or transferred back to its original owners.

The Vendors shall bear/responsible for all relevant cost incurred for the proposed acquisition and NSX annual listing fee for half a year from 1 January to 30 June 2020.

Currency
All references to "MYR" or "MYR" in this Explanatory Memorandum shall refer to Ringgit Malaysia, the currency of Malaysia.

Proper Law
This Explanatory Memorandum will be governed by and construed in accordance with the law of Malaysia and the parties hereby agree to the jurisdiction of the Courts of competent jurisdiction of the Malaysia in any proceeding hereunder.

4.11 Impact If the Proposed Transaction Proceeds

If the Proposed Transaction is approved by Shareholders and implemented, it will see that The Company acquire all of the outstanding shares in Arris. Besides, ISY will issue at least 95% of the total enlarged shareholding in the capital of The Company. After the purchase of new shares issued by The Company, the reverse takeover by Arris will occur, which will result in Arris holding majority of the ownership of The Company and arise as the new owners of I Synergy. Arris will also take control of the Board of Directors of the Company while Dato' Lawrence Teo will remain in the BOD.

Set out below is a selected summary of the Group's reviewed proforma consolidated statement of financial position as at 30 June 2019 (post completion):

	MYR
Non-current assets	1,189,890
Current assets	5,078,575
Non-current liabilities	588,000
Current liabilities	492,668
Net assets	5,187,797
Profit after Tax	806,086
Net increase in cash	728,995

As comparable to section 4.5 financial status of ISY, the Company clearly possess more favourable financial position. This is also the reason that the ISY Directors unanimously recommend that you vote in favour of the Proposed Transaction, in the absence of a superior proposal. Furthermore, the Independent Expert has also concluded that the Transaction is fair and reasonable.

The details adjustments to the proforma statement of financial position are set out in Section 10.

4.12 Impact If the Proposed Transaction Does Not Proceed

Since I Synergy Group Limited has successfully listed in the ASX on 29 March 2017, I Synergy Holdings Berhad has become a "shell corporation" but still wish to continue retain its listing on NSX. If the Proposed Transaction to acquire Arris Consulting Sdn Bhd fails to proceed, ISY may be **delisted and removed** from the official list of NSX.

5 Overview of Arris Group Of Companies

5.1 Integrated Multidisciplinary Professional Services

I Synergy Holdings Berhad (ARBN 606 426 831), a company incorporated in Malaysia (Company or ISY), is the ultimate holding company of the Arris Group of companies.

Arris Consulting Sdn Bhd (ACSB, Co No. 604429 U), the holding company of the Arris Group of companies, was incorporated in 2003 in Malaysia, as a company limited by shares. Arris Group Of Companies (Arris) is headquartered in Malaysia with a wholly-owned subsidiary company incorporated in Australia.

The first business entity of the Group was formed in 1997 as Chew & Co., a Malaysian audit firm and a member firm of The Malaysian Institute of Accountants (MIA).

In 2003, as business grew, the financial, business consultancy and Business Process Outsourcing (BPO) services were diversified into individual companies within Arris Group with each company specialising in different consulting segments. Arris is an English word which means "creation of a sharp edge at the meeting of two surfaces". Arris and its Clients meet to form a sharp business edge.

Arris provides integrated multidisciplinary professional services mainly to private and subsidiaries of public listed companies and multinational corporations. Our key business segments are:

- Accounting
- Tax advisory
- Company secretarial services
- Financial, business consultancy and Business Process Outsourcing (BPO) services
- Venture capital and venture capital management

Arris works with Clients in different stages of their business evolution to improve their business performance by creating, innovating and sharpening their competitive advantages. Arris' multidisciplinary model means it is involved from strategy development and negotiations through to completion of transactions. Traditionally, we assist Clients to incorporate business entities and render company secretarial services, perform statutory accounting, tax and corporate compliance. Since inception, Arris has embraced Information Technology (IT) in its traditional key business segments. Arris increasingly utilized dedicated software to perform accounting, auditing and taxation services.

In line with the growth of its business and the requirements of its Clientele, Arris expanded its services to include business advisory, corporate finance and venture capital. Arris will provide ideas and fact base that contribute to making corporate strategic growth decisions that will help Clients achieve their potential and objectives, including exit strategies.

Arris Venture Sdn Bhd has a company model of providing venture capital as a service. We believe in strong collaboration with our corporate partners, where each party brings a valuable perspective. Arris Venture Sdn Bhd brings the venture capital expertise, which includes sourcing, diligence, deal execution, deal management, including board representation and commercial relationships, through an exit. We also handle some of the reporting and monitoring of the portfolio using our proprietary software, TREK, an Investors Relationship Management.

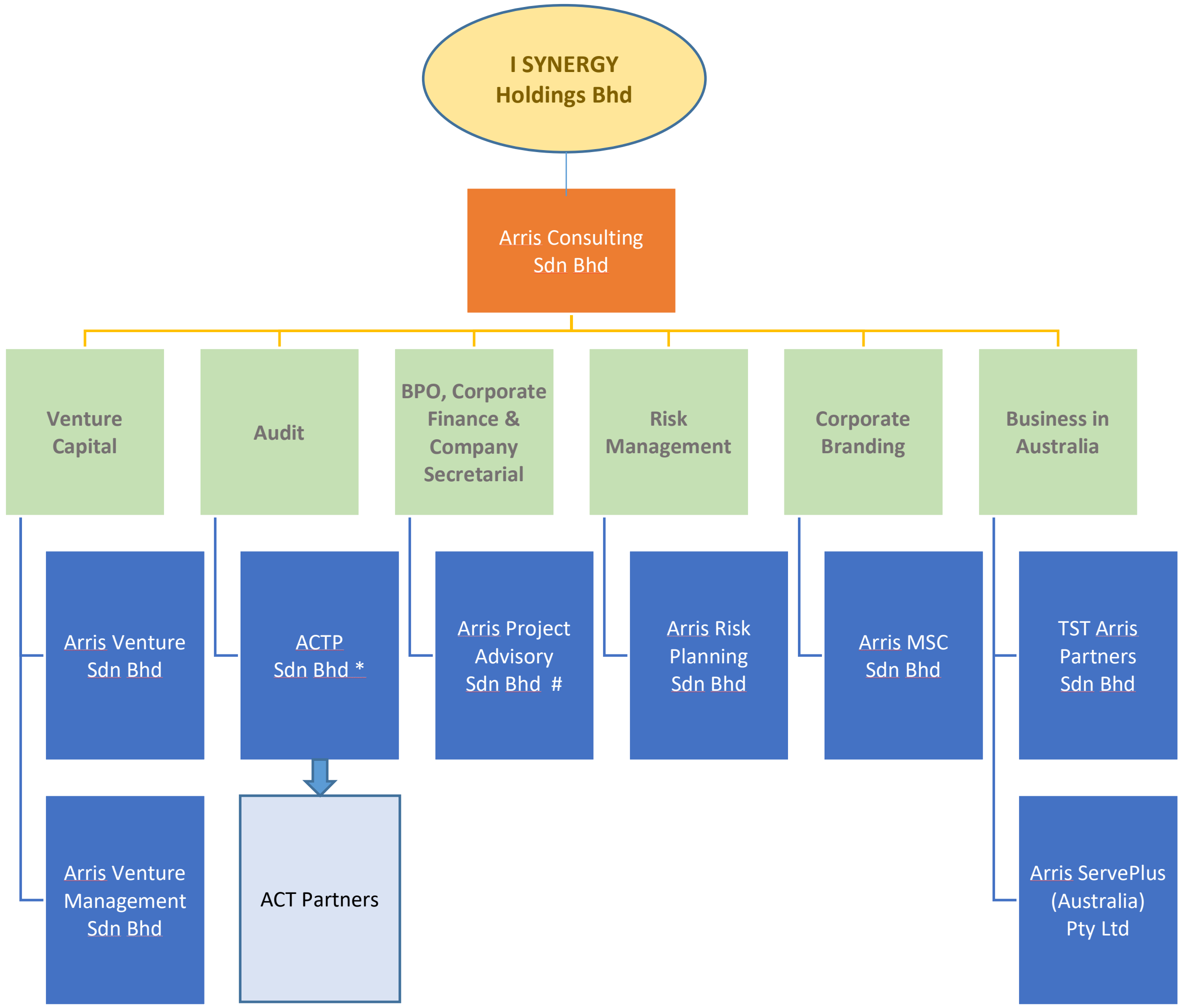
Arris services the niche opportunities that exist between top-tier and smaller professional firms. Our multidisciplinary approach comes without the top-tier price tag. This model is preferred by Clients because they do not have to deal with multiple service providers.

In 2010, Chew & Co. rebranded as ACT Partners and was admitted as an exclusive independent member of The International Accounting Group (TIAG) for Malaysia. TIAG is a global alliance of high-quality, independent accounting firms with more than 115 member firms based in over 70 countries.

As our key clients include private, subsidiary companies of public listed companies and multinational corporations with operations in Malaysia and the Asia Pacific region, we work closely with member firms within TIAG to cater to the geographical demands of our clients.

As part of TIAG, Arris Group assists Clients to deal with multiple foreign jurisdictions, provide advice and guidance on local laws and regulations, tax issues, cultural implications and the establishment of appropriate entities locally and abroad.

The Evolution And Future Transformation



* ACTP Sdn Bhd has a Service Agreement with the audit firm, ACT Partners.

\# Arris Project Advisory Sdn Bhd outsourced the company secretarial services to third party professional companies.

5.2 Strategic Priorities

Arris has five strategic priorities.

- **Private Small Medium Enterprises (SMEs)**

Arris makes a focused offer that reflects what the market wants and shows how the Arris brand will deliver it. Since inception, Arris' focus has been building accounting teams that can materially improve the financial situation of private SMEs and their owners. These Clients are "sticky" given that they desire long term relationships with their accountants and advisors. Historically, much of our growth has come from client referrals and strategic alliances.

- **Recurring Business Lines**

Arris focuses on business lines that are predictable and recurring in nature, which include accounting, auditing, taxation and company secretarial services, which contributes approximately 80% of Arris' revenues, at present.

- **Diversification Into Premium Services**

Arris' business has more staying power as Arris has discovered a way to make a difference that goes beyond simply addressing a pain point or desire of Clients. Arris uncovers what matters to our Clients and finds the intersection with our own purpose as their professional advisors. The operating businesses deliver high-quality service levels to maximise value for Clients using our proprietary processes and systems. Arris benefits from strong client loyalty particularly with additional services of financial, business consultancy, venture capital and venture capital management.

- **Range Of Professional BPO Services**

SMEs tend to outsource their compliance services in order to reduce costs and keep focus on their core business. Arris has grown its revenue from the performance of BPO services in finance and accounting functions, payroll and human resources and fund management by our SME Clients. This is driven by increasing technical complexity and costly staff benefit packages. By outsourcing selected operations to Arris, Clients are effectively hiring a team of experts. Clients benefit from cost savings, improved services and freed-up owners' time to focus on stronger top line growth.

Arris will cultivate cross-border relationships with a few successful and sustainable professional services businesses in Melbourne and Sydney, Australia by Merger and Acquisition. This is intended to encourage the outsource of professional services to Malaysia by these firms in Australia. Arris seeks to deliver an environment where the outsourced accounting services are structured to deliver effectively at a price that is both advantageous to the buyer and remain profitable for the vendor.

Arris will benefit from further globalization and a continuous trend of outsourcing professional services to emerging markets especially in the fields of compliance and other low value added services.

- **Disruptive Accounting Technology (AccountsTech)**

Arris believes the future of professional services is largely reliant on embracing disruptive technologies. Human connection will matter more than ever. Clients of professional services businesses expect to conduct business anywhere, anytime and to access information instantly across multiple devices.

Arris Group of Companies will continue to expand the utilization of Information Technology (IT) by focusing on enterprise software. To improve the way and the quality of services provided to Clients, Arris will increasingly use Accounting Technology (AccountsTech) powered by artificial intelligence and big data. Arris will be able to find ways to devote the time we have freed up with AccountsTech, to serving Clients better.

5.3 Client Service Model

The changing needs of Clients and the technology revolution are the main drivers that affect the way in which Arris delivers professional services.

Arris is built around a business model which addresses the following:

- **Customisation of Specialised Professional Services**
  "Hire us because we have delivered before."

Professional services require a high degree of customisation. Arris' multidisciplinary teams align our promise to the goals of our Clients. Arris hires and retain highly skilled individuals, the firm's talents. Arris develops a reputation for the type and quality of service it produces. The more abstract and complex the service is, the greater the need and potential for developing a reputation that will serve as a barrier to entry.

The Company's proactive model starts from advising on deals and transactions through to ongoing compliance and advice. This allows us to provide maximum value to every Client by offering a suite of integrated professional services that provide consistent business and capital investment advice.

- **Client Contact**
  "Hire us because we interact proactively."

Most professional services have a strong component of face-to-face interaction with the client. The value of relationships is important to Arris and there is more physical collaboration between Clients and Arris. The information gap between Clients and Arris will be smaller, because Clients will be much better informed at a quicker pace.

- **Cost Obsession**
  "Hire us because we are cost effective and fast."

Clients of Arris insist on immediate results and look for price competitive professional services. Arris offers Clients pricing that is based on outcome and value rather than hourly rates. The pricing of services is thus often based on value rather than on cost. Value is generally determined by the Clients and to some extent by competition. Clients and Arris are aligned in terms of principles, relationships, price-risk sharing and business model.

- **Digital Technology and Artificial Intelligence**
  "Hire us because we reinvent the way business is done."

To improve the way and the quality of services provided to Clients, Arris will increasingly use AccountsTech powered by artificial intelligence and big data. Artificial intelligence and machine learning will be applied more and more to complex tasks, processes and decisions in accounting, auditing and consulting. Access to real-time data will move the advisory approach from problem solving towards preventative as potential problems can be identified earlier in the process.

5.4 Our Competitive Strengths

Arris is able to compete effectively with the following strengths:

- **An experienced and dedicated management team**

Arris has a motivated and cohesive team to implement its strategy. Arris' operations and strategic direction are led by our Executive Directors, Mr. Lim Hock Loh and Ms. Angeline Por Yan Chew, who have in aggregate, more than 60 years of experience in the professional services industry. They have had extensive experience marketing activities, co-ordinating assignments and providing assurance to our clients in the delivery of timely, cost effective and quality professional services.

Our Group's Managers have also established long-term working relationships with regulatory authorities such as the Malaysian Institute of Accountants, Malaysia Inland Revenue Board, the Royal Malaysian Customs Department and the Tax Division of the Malaysian Ministry of Finance, and our clients.

We also place strong emphasis on professional development, and members of our management team regularly attend training and education programmes to update themselves on the latest market developments relating to our business.

Together with our ability to tap into the resources of TIAG, a global organisation of independent accounting and law firms, we are able to serve numerous local players, in particular, those seeking to expand their regional or international presence, while maintaining flexibility and cost-efficiency.

For Arris, staff retention is a key issue. Giving employees a slice of the business will foster a sense of ownership and can be a key element in retaining and rewarding them. Arris will use the Enterprise Management Incentive Share Option Schemes.

- **Track Record Of Providing Specialised Professional Services**

We have established a track record of providing specialised professional services through our subsidiaries. Our notable projects include providing services in relation to the implementation of GST for a hotel, several manufacturing, trading and engineering companies. Arris' ability to advise on deals and transactions between Australia and Asia proactively generates client opportunities. Through the professional network of TIAG, Arris promotes transactions that grow our client and fee base.

Through Arris Project Advisory Sdn Bhd, we have assisted in Initial Public Offerings of an oil and gas multinational company as well as a prop-tech platform. We have also completed Due Diligence work for Merger and Acquisition exercises of several industrial companies and food and beverage companies.

Through Arris Venture Sdn Bhd, we have advised on deals and transactions customised to the unique needs of our Clients. Current capital investment advice include customised venture capital fund for a proptech platform, specialized agriculture and digital assets exchange.

- **Requisite Qualifications and Licensing Requirements**

Arris possess the requisite qualifications and licensing requirements to carry out our professional services. As such, potential competitors may be deterred from entering into our industry as they would have to build-up their reputation in providing specialised professional services, obtain professional licences, and be subject to on-going regulations. These include licences for Audit, Tax, Liquidation and Goods and Services Tax from Malaysia's Ministry of Finance. Arris Venture Sdn Bhd and Arris Venture Management Sdn Bhd are registered with Malaysia's Securities Commission.

Since inception, Arris has embraced IT and utilized dedicated software in the traditional key business segments of accounting, auditing and taxation.

Name of Licence / Registration	Issued by	Licence / Registration Number and Holder
Audit Licence	Ministry of Finance, Malaysia	01830/05/2021 J, Ms Por Yan Chew
Liquidation Licence	Ministry of Finance, Malaysia	01830/09/2021 P, Ms Por Yan Chew
Tax Licence	Ministry of Finance, Malaysia	02/3436/11/2022, Ms Por Yan Chew
GST Licence	Ministry of Finance, Malaysia	02/1098/01/2019 Ms Por Yan Chew
Venture Capital Corporation	Securities Commission, Malaysia	C/A0026/VCM/2003, Arris Venture Sdn Bhd
Venture Capital Management Corporation	Securities Commission, Malaysia	C/A0024VCM/2003, Arris Venture Management Sdn Bhd

- **Integrated Professional Services Provider**

Arris celebrate intelligent risk taking and ideas to develop an innovative culture. Processes throughout our organization are structured to reward innovation. Arris believes that the Group's multidisciplinary model is providing a distinctive advantage. Our Group will be able to tap into the synergies across our business segments to provide quality one-stop professional services which can be integrated to provide customised solutions for our Clients. Our integrated business segments enable us to meet our Clients' needs in an efficient and cost-effective manner.

For instance, when our Clients look to fundraise to grow, Arris will render corporate finance, venture capital advisory and evaluate risk in their organization. Clients will require tax advisory and business support services as part of their restructuring or reorganisation of business strategies. Our clients are also able to manage investors' expectations and ensure funds management compliance on our Investors' Relationship Management software.

As part of TIAG, ACT Partners assists Clients to deal with multiple foreign jurisdictions, provide advice and guidance on local laws and regulations, tax issues, cultural implications and the establishment of appropriate entities locally and abroad.

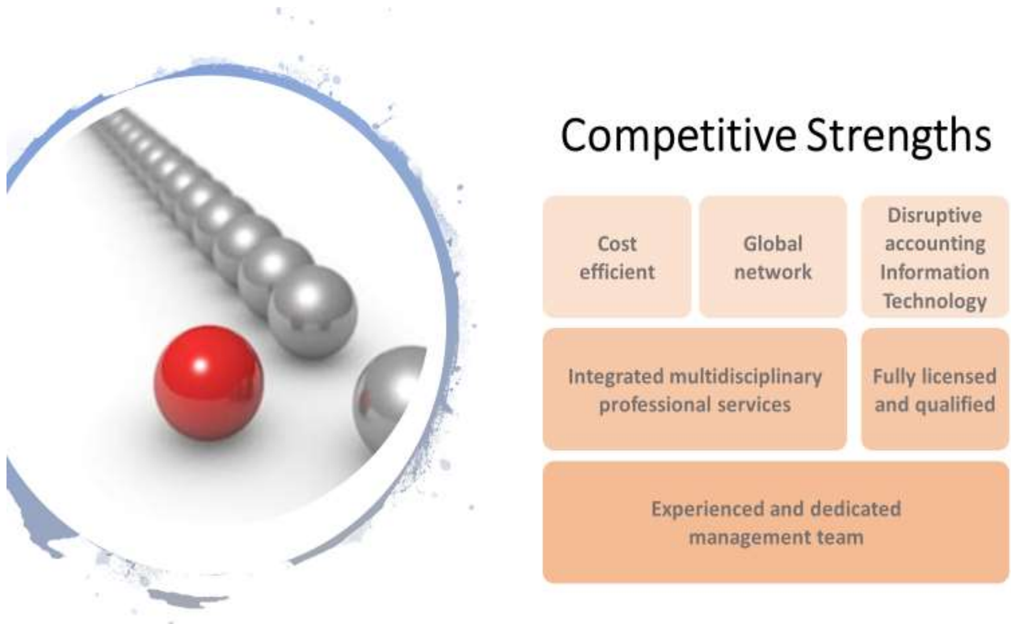
- **Cost Efficient**

Arris emphasizes on efficiency as a crucial factor that influences our ability to pivot, disrupt and lead.

Each key business segments utilize specialized software for traditional professional services such as accounting, audit and taxation. The specialized software automates work flows effectively to ensure accuracy, completeness and timeliness. This will free our Team to concentrate on higher-level assignments that require a human touch.

Due to the nature of our advisory and business consultancy businesses, fees may be payable based on milestones agreed with our clients. This allows us to allocate our resources and carry out work commensurate with the progress of the engagement.

Furthermore, we have a relatively flat management structure compared to our competitors whereby each engagement is effectively led by a manager and supported by the requisite number and experience of our consultants depending on the complexity of the engagement. We are thus able to provide quality professional advice at cost effective fees to our clients.



5.5 Our Business Growth Strategies

Our business strategies and future plans for the continued growth of our business are as follows:

- **Expand Business Operations In Australia**

Arris ServePlus (Australia) Pty Ltd, incorporated in Australia (ACN 639 199 830), has 3 main principal business activities:

- outsourced services in finance and accounting as well as payroll and human resources from Australian SME companies
- outsourced services in accounting functions from Australian professional accounting firms
- outsourced services in investment registry services from Australian fund management company

The revenue from the BPO services are invoiced by and paid to Arris ServePlus (Australia) Pty Ltd in AUD. The services are ultimately performed by the Team and staffs located in Malaysia.

Arris will benefit from a continuous trend of outsourcing professional services to emerging markets. The Arris pricing structure for the outsourced professional services would be advantageous to the buyer and remain profitable for the vendor.

In the short term, Arris plans to Merge and Acquire a few successful and sustainable professional services businesses in Melbourne and Sydney by accessing funds through retained earnings and sensible borrowings. This is intended to increase the outsource of mainly accounting services to Malaysia. In addition, this will drive organic growth and enhance the Company's multidisciplinary service offering.

Arris will work with the Australian professional firms by facilitating the sharing of information and ideas, assisting long-term succession planning via market liquidity and rewarding employees for performance and service through equity. As a Group, Arris will share centralised management and back office functions which will drive operating efficiency.

The BPO business secured by Arris ServePlus (Australia) Pty Ltd are explained below.

3 main principal business activities

Outsourced services in finance and accounting as well as payroll and human resources from Australian SME companies. We have BPO agreements signed and services are currently being performed from our Malaysian office.

Our Clients (the Australian SME companies) agree to renew BPO agreements with Arris ServePlus (Australia) Pty Ltd and pay fees in AUD.

Current portfolio of Australian SME companies

- An Australian company involved in ICT services with a subsidiary incorporated Malaysia.
- An Australian company involved in skydiving services with a subsidiary incorporated Malaysia.

Outsourced services in accounting functions from Australian professional accounting firms

Portfolio of Australian professional accounting firms

- Small volume of accounting services from an Australian accounting firm located in Melbourne.
- Negotiations to Merge and Acquire an Australian accounting firm in Melbourne.

Outsourced services in investment registry services from Australian fund advisory company. We have BPO agreements signed and services are currently being performed from our Malaysian office. Fees are payable in AUD.

Our Client (the Australian fund advisory company) agrees to renew BPO agreements with Arris ServePlus (Australia) Pty Ltd and continue to pay fees in AUD.

Portfolio of Funds managed by an Australian fund advisory company

- Fund for ICT company
- Fund for legal action for IP infringements

- **Disruptive Accounting Technology (AccountsTech)**

Arris looks at investment in three areas of AccountsTech that we see as fundamental.

- Arris has collaborated with an accounting software company based in Australia to develop a cloud-based proprietary accounting platform based on artificial intelligence.

  Technology and artificial intelligence will both be a substitute and complement for certain professional services. Highly complex tasks and processes will be simplified through technology; analyzing and research processes will be impacted; the use of all types of knowledge platforms, crowdsourcing models and knowledge sharing models will be common practice.

  Technology will replace much of the hard work of substantiation, analysis and comparison of information which is mainly done at the low end. Furthermore, low end services can be replaced by self-service platforms or will become commoditized services, especially when technology enables direct tapping into the flows of client data as needed for instance for accounting and audits.

- AccountsTech will also focus on accounting, auditing and taxation lifecycle management including workflow management and collaboration solutions. This will allow the Arris Team to work better on their individual matters and share best practices in a more collaborative environment.

- The third focus area is knowledge management. Arris hopes to take the collective knowledge within an accounting firm and determine the optimal way to capture and institutionalize it across the entire firm. We think that is a very interesting technological play because it takes advantage of our largest and most important asset, which is our Team.

- **Enhance Range Of Professional Services**

Our Group intends to enhance our existing services in order to attract a wider range of Clients. To this end, Arris hopes to upgrade our Group's offices and support infrastructure, including human resources, business support services, knowledge management and training, marketing and business development and client relationship management.

Arris will continue to work closely with member firms within TIAG to cater to the geographical demands of our key clients including private and public listed companies and multinational corporations with operations in Malaysia and the Asia Pacific region.

A project in development is rendering professional services to a trade organization, which will serve the United Kingdom, ASEAN and South Africa and have its administration office in Malaysia. The trade organization sees the benefits of engaging with Arris given our multidisciplinary approach. In addition, Arris Venture Sdn Bhd would be the preferred venture capital vehicle to establish and manage an investment fund.

Another project in development is corporate finance for a Client that seeks to manufacture amphibious aircraft in Malaysia.

- **Launch Of Venture Capital - Innovation Fund**

As part of the listed company on the NSX, Arris Venture Sdn Bhd plans to launch an Innovation Fund, based in Malaysia. The Fund is envisaged to provide wholesale investors with an investment exposure to the venture capital investment class.

Venture capital has become an important asset class globally for large institutional type funds, providing diversification benefits in addition to in many cases a track-record of out-performance.

Arris Venture Sdn Bhd envisages the Fund to provide a direct venture capital investment opportunity for its wholesale investors, and through the pooling of interest with other wholesale investors. This enables them exposure to larger business opportunities and greater diversification than investing alone.

6 Industry Overview

6.1 Malaysian Accounting Sector

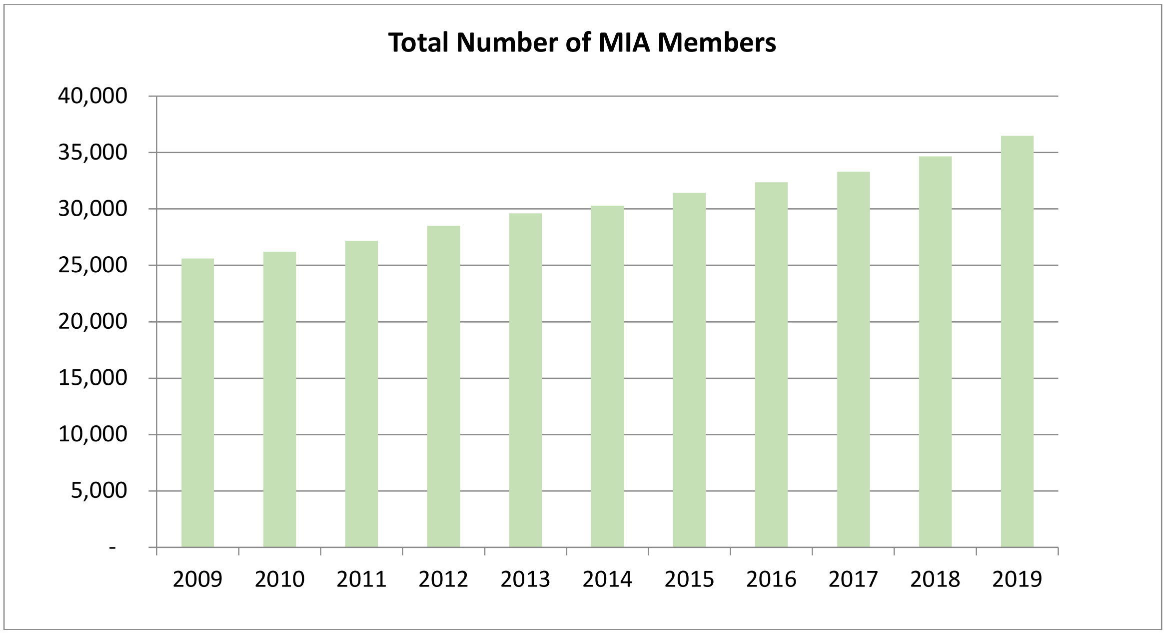
The professional services sector is a key proponent of Malaysia's economic aspirations. As Malaysia grows into a service-based economy (away from commodity and manufacturing), the sector is expected to be a major economic driver. Professional services in Malaysia support local and international businesses of all sizes over a wide range of industries by providing assistance such as consultation, project and service management as well as operational services.

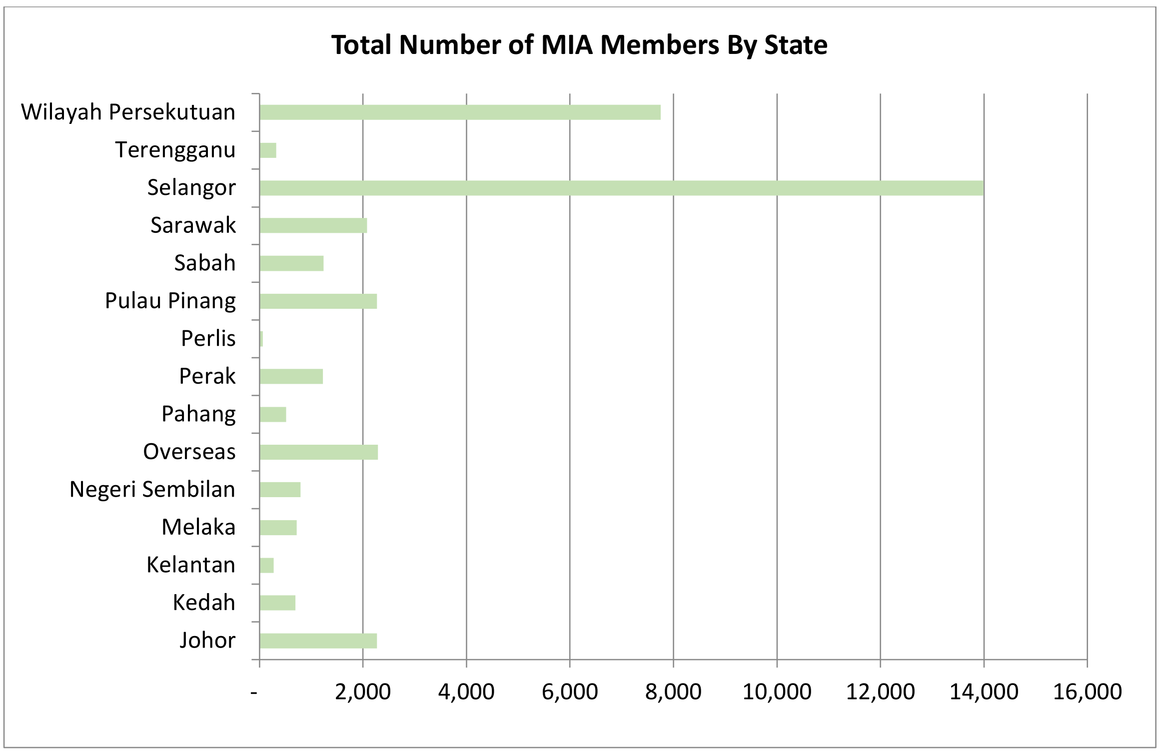
The Malaysian finance, accounting, assurance and tax market is fragmented but has seen dynamic growth. As of 31 December 2018, there were 1,378 audit and assurance firms and 771 non-audit firms providing accountancy related services with involvement of 2,784 practising accountants employing 21,666 personnel. The Malaysian Institute of Accountants (MIA), the Malaysian regulatory accountancy body, has a membership of 36,466 accountants. The chart below shows the steady increase in the total number of MIA members over the past decade.

Statistics On Malaysian Professional Accounting And Taxation Sectors

State	Number of MIA Members	Number of Audit Firm in MIA	Number of Non-Audit Firm in MIA	Number of Direct Tax Agents	Number of Indirect Tax Agents	Number of Company Secretaries
Johor	2,268	146	141	344	237	719
Kedah	695	24	29	47	37	159
Kelantan	268	14	9	27	25	85
Melaka	719	38	25	101	53	180
Negeri Sembilan	788	24	25	58	36	147
Pahang	517	24	20	46	31	136
Perak	1,224	55	70	183	89	330
Perlis	63	1	2	5	3	11
Penang	2,266	116	88	267	206	602
Sabah	1,237	89	60	182	81	558
Sarawak	2076	74	58	227	141	990
Selangor	13,990	416	385	1,072	595	-
Terengganu	321	9	9	18	10	109
Kuala Lumpur	7,749	61	61	952	506	-
Klang Valley	-	-	-	-	-	5231
Overseas	2,285	-	-	-	-	-
Labuan	-	-	-	-	-	32
Others	-	447	239	30	6	-
Total	**36,466**	**1,538**	**1,221**	**3,559**	**2,056**	**9,289**

Sources : Malaysian Institute of Accountants (MIA), Chartered Tax Institute of Malaysia (CTIM), Ministry of Finance, Companies Commission of Malaysia


Total Number of MIA Members
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019


Total Number of MIA Members By State
Wilayah Persekutuan
Terengganu
Selangor
Sarawak
Sabah
Pulau Pinang
Perlis
Perak
Pahang
Overseas
Negeri Sembilan
Melaka
Kelantan
Kedah
Johor
-
2,000
4,000
6,000
8,000
10,000
12,000
14,000
16,000

Source: MIA

6.2 Financial, Business Consultancy and Outsourced Services in Asia Pacific

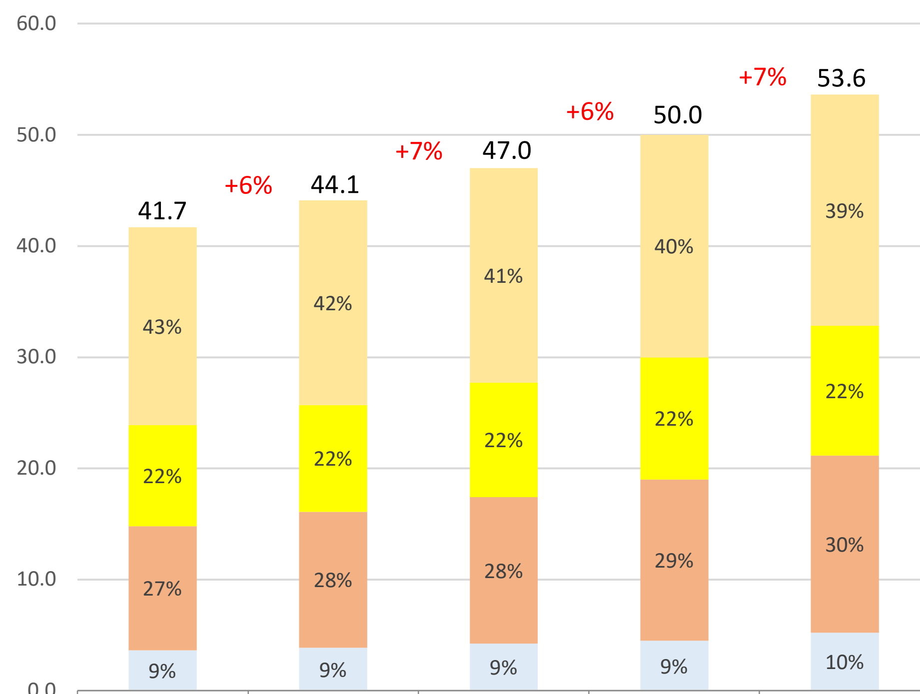
- **Market Size Of Asia Pacific Management Consulting Services**

According to a report by Consultancy.UK, the size of the Asia Pacific (consisting of Asia, Australasia and a number of other smaller markets) management consulting services is some USD 50 billion. China, Southeast Asia and Southern Asia are the main drivers behind the growing expenditure on management consultants.

North America – the United States and Canada – is the largest region for consulting firms, making up for around 55% of the globe's USD 277 billion industry. Asia Pacific's growth in the sector has excelled which resulted in Asia Pacific accounting for around 18% of the globe's management consulting industry, and that figure is set to rise fast.

Asia Pacific is leading the globe in terms of growth as Asia is home to the vast majority of the world's outperforming emerging economies. The Asia Pacific management consulting market has been collectively growing at a steady rate of between 6% and 7% per annum since 2015, lifted by rapidly growing economies such as China, Hong Kong and Singapore. It is expected that the industry will climb above the USD 50 billion mark in 2020. Southeast Asia's management consulting scene is also robust, having enjoyed 25% growth between 2015 and 2017.

Size Of The Asia Pacific Management Consulting Services (USD Billion)



	2015	2016	2017	2018	2019
Strategy & Operations	17.8	18.4	19.3	20.0	20.8
IT & Digital Consulting	9.1	9.6	10.3	11.0	11.7
Financial Consulting	11.2	12.2	13.2	14.5	15.9
HR Consulting	3.6	3.9	4.2	4.5	5.2

Sources: Consultancy.UK[1], Consultancy.asia[2]

[1] https://www.consultancy.uk/news/18819/consulting-industry-of-asia-and-australia-grows-6-to-50-billion
[2] https://www.consultancy.asia/news/1411/asia-pacific-management-consulting-industry-breaks-50-billion-barrier

- **Asia Pacific Management Consulting Services – Sector Size**

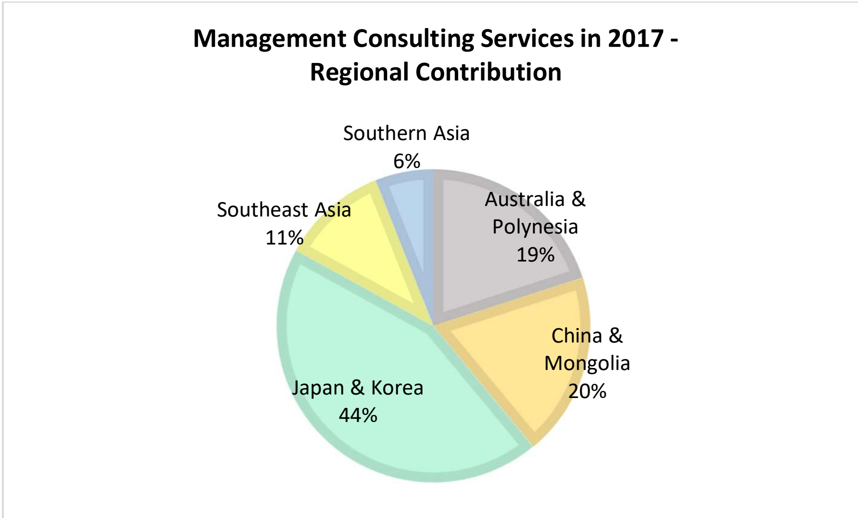
Source: Consultancy.asia[3]

As an industry break-down for consulting revenues in the Asia Pacific region, the financial services sector is by far the largest management consulting market, more than doubling the next sector (manufacturing) for a 13.3% share.

Many of the world's largest banks are based in Asia, and the industry in general is subject to an ever-increasing and complex multijurisdictional compliance burden. The fintech sector – with Singapore and Hong Kong among world-leading hubs – is forcing the big financial service players to embrace digital.

[3] https://www.consultancy.asia/news/1411/asia-pacific-management-consulting-industry-breaks-50-billion-barrier

- **Asia Pacific Management Consulting Services – Market Share By Region**



Source: Consultancy.asia[4]

Southeast Asia

Southeast Asia, (categorised together with the countries of Micronesia and Melanesia) is the second fastest growing management consulting region across the Asia Pacific – with collective growth of 25% between 2015 and 2017. Southeast Asia accounts for 11% regional market share.

According to a report by Consultancy.asia, the Southeast Asia region features lesser developed nations such as Myanmar and Laos together with mature economies such as Singapore's and the rapidly rising ones of Indonesia and Vietnam; the latter both helping to drive the consulting industry growth.

In Indonesia, low internet penetration rates and subpar bandwidth quality has finally prompted the Government to pledge more money to IT infrastructure investments. IT infrastructure investment led to significant growth in the country's ICT and digital services market.

In Vietnam, the Government has committed to a far-reaching reform agenda. The mixed economy is seeing a diversity of reforms, from labour law shifts to the rate of corporate tax being slashed. Basic manufacturing companies are subsequently being drawn to Vietnam by these reforms, increasing advisory demand across all service lines as multinationals look to take advantages of the lighter regulations.

Australia & Polynesia

The third of the large Asia Pacific management consulting markets, with a 19% overall share, is Australia, which has pushed beyond the USD 5 billion in recent times with growth hovering around 5%. The country is considered to be the largest consulting market in the world relative to national income.

Traditionally, the natural resources and power sectors have contributed the largest consultancy spend, and this is expected to continue as urgency grows to restructure. Financial services, however, have gained significant ground in recent years, including large spends from the country's big four banks, with according to some estimates the sector now accounting for almost a quarter of the consulting market.

[4] https://www.consultancy.asia/news/1411/asia-pacific-management-consulting-industry-breaks-50-billion-barrier

6.3 Business Process Outsourcing (BPO) Industry in Malaysia

A.T. Kearney has published its report, Digital Resonance: The New Factor Impacting Location Attractiveness. The 2019 A.T. Kearney Global Services Location Index (GSLI)[5].

The 2019 A.T. Kearney Report states that in recent years, the information technology outsourcing (ITO) and Business Process Outsourcing (BPO) industry has faced significant disruption from digital transformation, and the strongest impact is from two adjacent forces—automation on the one hand and heightened cybersecurity concerns on the other.

The GSLI has informed companies' strategic decisions about offshore operations locations for the past 15 years. The Index comprehensively surveys the outsourcing landscape, identifying the countries with the strongest underlying fundamentals to potentially deliver ITO, BPO, and voice services. Historically, this measure has been based on metrics within three major categories: financial attractiveness, people skills and availability, and business environment. To address the rising impact of automation and cybersecurity, this year we have added a fourth category—digital resonance. The addition of the digital resonance category ensures that the Index captures new information related to automation that is increasingly relevant in these decisions.

The 2019 GSLI overall country rankings indicate that, at a regional level, Asia continues to dominate the Index. Asian economies represent six of the top seven spots, and India, China, and Malaysia hold the first three spots in the global services value chain again this year, despite the change in the Index methodology.

The 2019 A.T. Kearney Report states that Malaysia maintains the 3rd-place ranking it has occupied since the start of the Index in 2004. Malaysia overcame the fifth-largest decline in its people skills and availability score with increases in its financial attractiveness and business environment scores and a strong digital resonance score. Malaysia represents nearly 1.7 percent of the total BPO market in the Asia Pacific, and BPO is anticipated to surpass ITO in Malaysia in the coming years.

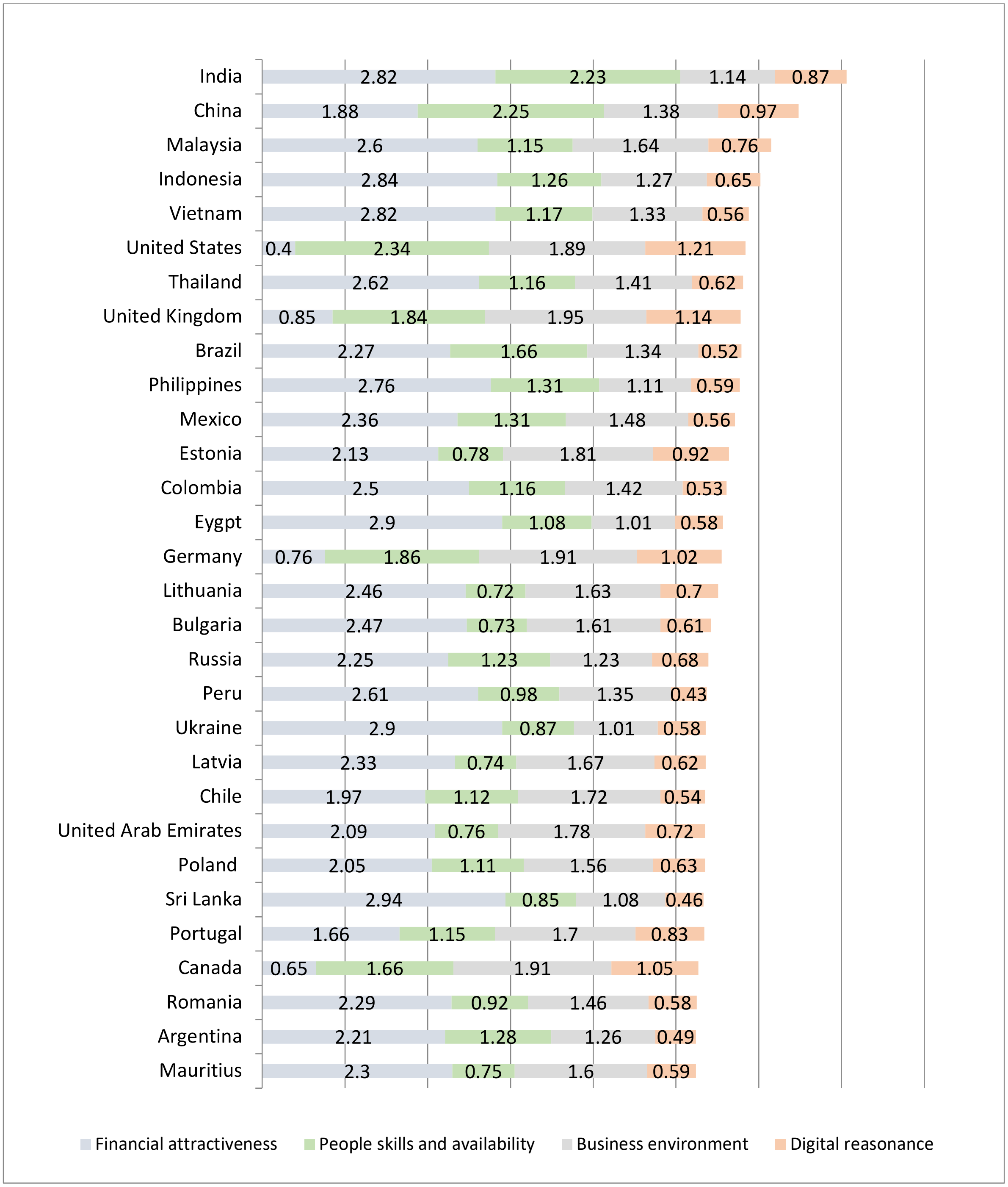
The 2018 IBIS World industry market research - Business Process Outsourcing (BPO)[6] in Australia estimates that the sector achieved revenues of 32.1 billion Australian Dollars with an annual growth of 1.2% between 2013 - 2018. The major products and services outsourced are customer relationship management, finance services, HR and recruitment, computer software design, advertising and marketing, as well as debt collection services. Technological advances, software investment, mobile platforms and cloud computing have driven the revenue growth over the past five years.

The BPO industry in Australia is set to grow 3% annually for the next five years to $37.1 billion as new technologies will continue to streamline operations and provide a wider range of integrated services to customers. Rapidly advancing technology will require many firms to outsource complex IT services. An increasing desire for service quality, accessibility, tailored IT services is also anticipated to drive revenue growth for Australian BPOs.

[5] https://www.kearney.com/digital-transformation/gsli/2019-full-report
[6] https://www.ibisworld.com.au/industry-trends/specialised-market-research-reports/advisory-financial-services/business-process-outsourcing.html

Digital Resonance: The New Factor Impacting Location Attractiveness.
The 2019 A.T. Kearney Global Services Location Index (GSLI).

- **The Global Services Location Index (Overall country rankings)**



Source : The 2019 A.T. Kearney Report
https://www.kearney.com/digital-transformation/gsli/2019-full-report

7 Directors and Management

7.1 Board of Directors

Mr. Lim Hock Loh
Chief Executive Officer & Managing Director

Loh is the Executive Director of Arris Group Of Companies. In his role, Loh has continued Arris' global reach, establishing business presence in Australia and building network and alliances in America, Canada, Europe, Middle East, India, China and Hong Kong. He also holds advisory roles at ACT Partners, particularly in the areas of Information Technology, Business Development and Human Resource Management. Being a strategist, he constantly seeks out companies that are unique and dominant in their industry or market and actively helps companies reach their vision.

With more than 30 years of experience in international business, marketing, business development, management and human resource advisory, having serviced many Multi-National companies (N), he brings with him rich knowledge in business and management from Japan, Europe, America and Asia. He has provided many clients with innovative ideas and insight in helping them to growth their organisations. Loh has been involved and is knowledgeable in technology such as information technology, laser, imaging, ultrasound, precision measuring, optics and reverse engineering. This engineering knowledge has provided him with a different view in understanding high tech company and allows him to lead the Technical Committee of the venture capital management company, Arris Venture Management Sdn Bhd.

Ms. Por Yan Chew
Chief Financial Officer & Director

With more than 30 years of experience in building and directing high-performing teams and advising some of the leading companies, Chew is highly respected for her view on business and financial issues. She has a deep understanding of the challenges faced by companies competing locally or on the international stage and of the prospects presented to them by ever changing business environment. When GST was implemented in Malaysia, Chew has conducted numerous seminars on GST with MIA nationwide. She is sought-after speaker and have been engaged by business associations and organizations to conduct GST seminars. Her expertise include audit, taxation, liquidation, venture capital, corporate finance and GST. She holds leadership roles at Arris Group, including directorship in Arris Venture, Arris Venture Management, Arris Consulting, Arris Project Advisory and Arris MSC.

Prior to establishing Chew & Co., ACT Partners and Arris Group of Companies, Chew was with Arthur Andersen & Co., where she gained experience in performing audit, taxation and consulting assignments to public listed companies and multi-national companies in a wide range of industries including the banking and financial sectors. She then joined the capital market to research and analyse the financial performance of public listed companies. Her employment at a rating agency and a foreign stock broking house have enriched her knowledge in accounting, finance and of the business environment.

Dato' Lawrence Teo
Non-Executive Director

Dato' Lawrence Teo is a seasoned sales and marketing motivator and consultant with extensive experience in retail and networking marketing. He is the founder of innovation business concept that combine network and retail marketing into offline affiliate program. He is currently a Director and Founder of I Synergy Group Limited which is listed on ASX. Dato' Lawrence is an active member of prominent retail associations /federation in Malaysia with strong retailer community and networks. He is also an advisor to an established Malaysia angel investment platform for entrepreneurs.

7.2 Management Team

Ms. Farhana Binti Fauzi
Vice President - BPO

Farah is a Chartered Accountant and a member of the MIA. She obtained her Bachelor of Accounting from Malaysia's Universiti Selangor in 2010. Farah has worked with ACT Partners for some 10 years, having joined Arris Group in 2010. She has gained experience in a variety of areas in public practice industry, including accounting, auditing and assurance, taxation and business consultation.

Farah has experience in audit and assurance of companies ranging from the small and medium sized companies to multi-national corporations and subsidiaries of public listed companies in a variety of industries, including oil and gas, telecommunication, pharmaceutical and health-care, construction, property development, manufacturing, agriculture, hotels and resorts, multi-media, information technology, trading and distribution, retail and consumer markets, food and beverage and investment holding. Farah also leads and manages Arris' Business Process Outsourcing (BPO) business segment namely outsourced professional services of accounting functions, payroll and human resources and fund management.

Ms. Yen Sze Wan
Audit and Assurance Manager

Yen Sze is also a Chartered Accountant, a member of the MIA and Australia CPA. She started her career public practice after graduating from Australia's MYRIT University. She has gained more than 10 years' experience in the field of audit, assurance and business consulting. Yen Sze has wide experience in external audits of small and medium size enterprises and multi-national corporations. Her clientele include companies in various industries such as construction, property development, trading, healthcare, food and beverage, education, information technology, manufacturing, non-profit organization and investment holding.

Ms. Nurul Aini Bt Jamhari
Taxation Manager

Aini is a practising tax consultant and an associate member of the Chartered Tax Institute of Malaysia (CTIM). She obtained her Bachelor of Accounting from Malaysia's Universiti Teknologi Mara (UITM) in 2010. Aini joined Arris Group in 2010 and has managed tax compliance services and provided various tax advisory services including tax planning, advisory in withholding tax, advisory in transfer pricing, consulting in tax investigations and field audits, finalizing tax positions in liquidation of companies and settling tax appeals and disputes with Malaysia's Inland Revenue Board (IRB).

Her clientele include companies ranging from the small and medium sized companies to multi-national corporations and subsidiaries of public listed companies in a variety of industries, including oil and gas, telecommunication, pharmaceutical and health-care, construction, property development, manufacturing, agriculture, hotels and resorts, multi-media, information technology, trading and distribution, retail and consumer markets, food and beverage and investment holding.

Mr. Peter Pang Teng Foong
Vice President - Corporate Finance

Peter obtained his Bachelor of Business Administration (Hons) Banking and Finance from Malaysia's Universiti Tunku Abdul Rahman (UTAR) and joined Arris Group in 2015. He has gained corporate finance consulting experience in various industries including proptech, e-commerce, mobile & software application, virtual & augmented reality, big data analytics, cryptocurrency, blockchain, construction, property development, food and beverage, agriculture, manufacturing, aerospace and renewable energy / independent power producer. Apart from consulting, Peter had participated in restructuring work for Initial Public Offering, preparation of financial projections and valuation and financial due diligence for Mergers and Acquisition.

7.3 Directors' Holdings

The Directors' interests in CDIs as at the date of this Explanatory Memorandum are as follows:

	Directly Held	Indirectly Held
Mr. Lim Hock Loh	23,896,274	-
Ms. Por Yan Chew	29,206,595	-
Dato's Lawrence Teo	3,808,727	-

7.4 Remuneration of Directors

A Director may be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties. The remuneration to Directors for their performance of the duties is outlined in the table below:

Director	Role	Fees
Mr. Lim Hock Loh	Chief Executive Officer	MYR 10,000 per month
Ms. Por Yan Chew	Chief Financial Officer	MYR 10,000 per month
Dato' Lawrence Teo	Non-Executive Director	MYR 2,000 per month

8 Risk Factors

Summary of Key Risks

The key risks for the Proposed Transaction are set out in this section, below is an overview of potential risks:

Company Specific Risks

- Competition
- Key personnel risk
- Staffing
- Loss of a key clients
- Licences and accreditations
- Company's brand and reputation
- Scale up risk
- Financing
- Legal proceedings
- Operational risks
- Economic risks

Sector / Market Specific Risks

- Technology risks
- Accounting changes

Investment Risks

- Taxation changes
- Illiquid stock
- Securities investments and share market conditions

8.1 Introduction

This Section identifies some, but not all, of the risks which the Board believes to be associated with an investment in the Company.

This is not an exhaustive list of the risks associated with an investment in ISY and should be considered in conjunction with other information disclosed in this Explanatory Memorandum. You should consider the risk factors described below, together with information contained elsewhere in this Explanatory Memorandum, before deciding whether or not to vote for the Resolutions.

The Company makes no guarantees or warranties in respect to the operating or financial performance, dividends, value of the shares, or capital return upon IPO. Further the Company does not guarantee that the shares will continue to be listed on the NSX.

Before deciding whether to invest in ISY, you should:

- read this Explanatory Memorandum in its entirety;
- consider the assumptions underlying the Directors' statements and the risk factors that could affect the operational and financial performance of ISY;
- consider an investment in ISY in light of your own personal circumstances; and
- seek professional advice.

8.2 Company Specific Risks

Competition

The professional services markets in which the Company operates are extremely well serviced and competitive, with a range of competitors.

The Company's current and future potential competitors include companies with substantially greater resources. The Company may not be able to compete successfully against current or future competitors where aggressive pricing policies are employed to capture market shares. Such competition could result in price reductions, reduced growth margins and loss of market share, any of which could materially and adversely affect the Company's growth prospects, operating results and financial performance.

Key personnel risk

The Company currently relies on a number of key personnel to conduct its business and execute its strategy. If key personnel were to leave the business or for other reasons could not perform their duties, and there was an inability to recruit suitable replacements in a timely manner, this could adversely impact the Company's ability to grow or maintain its clients. As a result, the Company's revenue, profits and prospects could be adversely affected.

Staffing

The Company's ability to service its clients relies on its ability to attract and retain quality experienced professional staff. The Company's ability to do this may be constrained by a number of factors from time to time, such as the Company's ability to maintain an attractive working environment, match competitors pay scales or source quality graduates. As a result, the Company's ability to service clients and grow its businesses may be constrained, or it may suffer increased costs to deliver the same level of output, each of which can adversely impact the Company's profitability.

Loss of key clients

Like all businesses, the Company's financial forecasts are dependent on retaining key clients, Client retention is often matter of preserving the existing personal relationships within the business. Loss of key clients has the potential to impact revenues. Client loss can occur due to poor service or a change in a client's circumstances.

Licences and accreditations

The Company requires licences and accreditations from various regulatory bodies to operate their businesses. If the Company is unable to obtain and/or renew these licences and accreditations, there may be a material adverse effect on ISY's operating and financial performance.

Company's brand and reputation

The success of the Company is reliant on its reputation and branding. The Company's inability to address adverse publicity or other issues including concerns about service quality, efficacy or similar matters, real or perceived, could negatively impact sentiments towards the Company and its services and brand. Due to the multidisciplinary approach of the Company, there could be a multiplier effect of an issue in one part of the business affecting clients who work with other parts of the business. These risks may result in adverse impacts to the Company's operating and financial performance.

Scale up risk

The Company is a small and growing company seeking to expand its operations. If the Company cannot build strong internal systems, it is likely that it will not be able to adequately respond to opportunities to grow and increase revenues. As a result, the future growth and financial performance of the Company may be adversely impacted.

Financing

Future financing may be required by the Company to support proposed development plans. There can be no assurance that such funding will be available on satisfactory terms or at all. Inability to obtain funding could adversely affect the Company.

Legal proceedings

Legal proceedings may arise from time to time in the course of the business of the Company. As at the date of this Explanatory Memorandum, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

Economic risks

Changes in world economic conditions may adversely affect the financial performance of the Company. Factors such as inflation, currency fluctuations, interest rates, industrial disruption and economic growth may impact on future operations and earnings.

Operational risks
The Company faces risks arising from their operations including the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events which may impact on the Company's operations. These risks include the risk of fraud, processing errors, systems failure and failure of security and physical protection systems.

Fraud could arise from the misappropriation of the cash assets of a particular business or the misappropriation of client cheques (such as tax refunds). This could give rise to the loss of assets and would have the potential to damage the reputation of that business and could cause loss if not covered by insurance. Fire or theft of client files has the potential to cause significant disruption to the Company's business.

8.3 Sector / Market Specific Risks

Technology risks
Professional service firms hold large amounts of sensitive client data and information. As a result they are particularly sensitive to cyber-attacks, theft of data, unauthorised access or disclosure or data loss which causes the loss or leakage of that client information. Any security breach may result in significant disruption to the client business while that information is restored (if possible). Such a breach could also have an adverse impact on the Company's reputation, which would in turn adversely affect the Company's revenues and profitability.

Accounting changes
Professional services firms are subject to rules in the accounting standards regarding the treatment of work in progress which can make up a significant asset of the business. As a result, changes in accounting standards which affect the accounting of work in progress or revenue recognition could have an adverse effect on the Company's revenues, financial position and prospects.

8.4 Investment Risks

Taxation changes
Any changes to the current rate of the Company's income tax in Australia or abroad may affect Shareholders' returns. Any changes to relevant tax laws, the way they are interpreted and applied, or to the current rate of taxes, could have an adverse effect on the Company's operating and financial performance. In addition, any change in tax rules and tax arrangements could also have an adverse effect on the level of dividend imputation or franking and shareholder returns.

Illiquid stock
The ability of a Shareholder to realise value for their investment in the Company depends on the ability to sell Shares. Sales of Shares may be hampered if the market is illiquid.

Securities investments and share market conditions
There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

9 Corporate Governance

The Board is committed to achieving and demonstrating the highest standards of corporate governance appropriate for its circumstances, size and operations.

The Board is concerned to adopt, review and continually develop policies and procedures to:

(a) ensure that it acts with due care and diligence and in the interests of shareholders;
(b) adequately identify and deal with conflicts of interest at board, management and employee levels;
(c) protect shareholder interests, including access to information, voting rights, share of profits, equitable treatment; and
(d) protect the interests of stakeholders including employees, creditors, and the wider community. With reference to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (Fourth Edition), the Board has adopted what it considers to be appropriate corporate governance policies and practices having regard to its size and nature of activities. The Company's main corporate governance policies are set out below and will be available on the Company's website (www.arris-group.com):
- Board Charter;
- Code of Conduct;
- Continuous Disclosure Policy;
- Securities Trading Policy; and
- Corporate Governance Statement.

9.1 PRINCIPLE 1 – Lay Solid Foundations For Management And Oversight

Board and Management functions
The roles and responsibilities of the Board and management are set out in the Board Charter, which will be available on the Company's website.

The Board of Directors is responsible for the corporate governance of the Group and operates in accordance with the principles set out in the Board Charter.

The Board Charter also provides for the Company's statement of delegated authority to set out the Company's policy relevant to the delegation of authority to management to conduct the day to day management of the Company.

The Company recognises that the roles and functions of the Board must necessarily be flexible to deliver the Company's objectives.

Electing or re-electing a director
The process of appointment and re-election is set out in the Board Charter. The Company will undertake appropriate checks before appointing a person, or putting forward to shareholders a candidate for election as a director. The Board will provide shareholders with all material information in the possession of the company to enable shareholders to make an informed decision
on the appointment and re-election of directors.

Director and senior executive agreements
The Company has a written agreement with each director and senior executive setting out the terms of their appointment.

Company secretary
The Company secretary is appointed and removed by the Board and reports to, and is directly accountable to, the Board, through the Chair, on all matters to do with the proper functioning of the Board.

Diversity Policy
The Company does not currently have a diversity policy but is committed to developing a business model that values and achieves diversity on its workforce and on its Board. The company intends to develop a diversity policy which will be announced to NSX is due course and will be made available on the Company's website. Management will monitor and report to the Board in the Company's progress on the development of its diversity policy.

Performance Evaluation
The Board is responsible for the evaluation and review of the performance of the Board and its committees (if any) and Senior Executives.

The Chair is primarily responsible for the evaluation and review of the performance of individual non-executive directors. The Chair should disclose the process for evaluating the performance of those directors.

The Board (other than the Chair) is responsible for the evaluation and review of the performance of the Chair and review of the effectiveness and program of Board meetings. The process of the performance evaluation of the Board, its committees (if any), directors and senior executives, generally involves an internal review. From time to time as the Company's needs and circumstances require, the Board may commission an external review of the Board, and its composition.

9.2 PRINCIPLE 2 – Structure the Board to Add Value

Nomination Committee and Board skills matrix
The Company believes it is not of a size to justify a Nomination Committee. If vacancies arise on the Board, all directors are involved in search and recruitment. The Board seeks to achieve a balance of entrepreneurial, capital markets, technical, operational, commercial and financial skills from the resources industry and broader business backgrounds. The Board will establish a skills matrix setting out the mix of skills and diversity that the Board currently has or is seeking to acquire.

Independence of directors
The Board comprises two executive directors (Mr. Lim Hock Loh and Ms. Por Yan Chew) and one non-executive director (Dato' Lawrence Teo). The executive directors are substantial shareholders of the Company and are not considered to be independent directors in terms of the ASX Corporate Governance Council's discussion of independent status. Despite this relationship, the Board believes that Mr. Lim Hock Loh and Ms. Por Yan Chew are able and will make quality and independent judgments in the best interests of the Company on all relevant issues before the Board. Dato' Lawrence Teo is considered to be independent directors in terms of the ASX Corporate Governance Council's discussion of independent status.

Directors are entitled to seek independent professional advice at the Company's expense in the furtherance of their duties. Under the Company's M&A, no director except the Managing Director may hold office for a period in excess of three years or beyond the third annual general meeting following the director's election without being submitted for re-election. At every annual general meeting one third of the Directors or the number nearest to but not exceeding one third must retire from office and are eligible for reelection.

Director induction and development

Induction, training and continuing education arrangements are the subject of the terms and conditions of the appointment of members to the Board. The requirement for the Board to implement an appropriate induction and education process for new Board appointees and Senior Executives is set out in the Board Charter on the Company's website.

The process is designed to enable Board appointees and Senior Executives to gain a better understanding of the Company's financial, strategic, operational and risk management position; the rights, duties and responsibilities of the directors; the roles and responsibilities of Senior Executives; and the role of Board committees (if any).

9.3 PRINCIPLE 3 – Act Ethically and Responsibly

Code of conduct

The Board has adopted a formal Code of Conduct to promote lawful, ethical and responsible decision-making by directors, management and employees. The Code promotes compliance with laws and regulation and avoidance of conflicts of interest, embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity. The Code of Conduct will be available on the Company's website.

Policy for trading in Company's securities The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees which raises awareness of the law in relation to insider trading, specifies blackout periods and provides notification protocols. The trading policy will be available on the Company's website.

9.4 PRINCIPLE 4 – Safeguard Integrity in Corporate Reporting

Audit Committee

The Company does not currently have an Audit Committee. The Board considers that the formation of an Audit Committee is not warranted at this time given the stage of the Company's development.

The Board will at some time consider forming an Audit Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure.

Financial Statements

The Board as a whole acts as the Audit Committee and performs the functions thereof including the making sure that the financial records of the Company have been properly maintained and that the Company's financial statements comply with accounting standards and present a true and fair view of the Company's financial condition and operational results. This statement is required annually.

Auditor attendance at AGM

The opportunity for shareholders to question a listed entity's external auditor at the AGM is an important safeguard for the integrity of the corporate reporting process. For companies incorporated in Australia, such opportunity is provided by sections 250PA, 250RA and 250T of the Corporations Act. As the Company is established outside Australia, it is not subject to the provisions of the Corporations Act and there are no equivalent provisions under the law of its home jurisdiction. The Company will however make a representative of the auditor available at its AGM to enable shareholders to ask questions relevant to the audit.

9.5 PRINCIPLE 5 – Make Timely and Balanced Disclosure

Continuous Disclosure Policy

The Board places a strong emphasis on full and appropriate disclosure and has adopted a Continuous Disclosure Policy to ensure timely and accurate disclosure of price-sensitive information to shareholders through the lodgment of announcements with NSX. Clear procedures govern the preparation, review and approval of all announcements. The Company's Continuous Disclosure Policy will be available on its website.

9.6 PRINCIPLE 6 – Respect the Rights of Security Holders

Communications Policy

The Company is committed to open and accessible communication with its shareholders, employees, customers and other stakeholders. The Company will publish all relevant announcements on its website after NSX has acknowledged that the announcements have been released. The Continuous Disclosure Policy can be found on the Company's website. Subject to NSX disclosure rules, the Company communicates regularly with shareholders, brokers and analysts and will publish the information on its website.

Investor relations

The Board is responsible for the communication strategy to promote effective communications with investors and to encourage effective participation at general meetings. The Company adheres to best practice in its preparation of Notices of Meetings and through its share registry offers to members the option of receiving shareholder communications electronically.

9.7 PRINCIPLE 7 – Recognise And Manage Risk

Risk Management

The Board is committed to ensuring that the risks associated with the Company's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls. Operational management regularly reviews the risks and controls and updates the Board in light of changing circumstances and emergent risk factors and weightings.

The Board considers that the Company is not of a size sufficient to warrant the establishment of an internal audit function or a risk management committee. The Company does however employ appropriate processes for continually improving the effectiveness of risk management and internal control processes.

The Chief Executive Officer is required to provide a declaration in writing to the Board as to whether the declaration in accordance with section 295A of the Corporations Act is founded on a sound system of internal control and that the system is operating effectively in all material respects in relation to financial risks.

Aside from the risks outlined in section 7, the Company does not have material exposure to other economic, environmental or social sustainability risks.

9.8 PRINCIPLE 8 – Remunerate Fairly and Responsibly

Remuneration Committee

The Directors consider the current size of the Board does not warrant the establishment of a separate Remuneration Committee. However, the Board will at some time consider forming a Remuneration Committee if the size of the Board increases and efficiencies may be derived from a formal committee structure. Nonetheless the Board is committed to ensuring that the principles of fair and responsible remuneration govern its operations. There are no schemes for retirement benefits, other than superannuation, for non-executive directors.

10 Financial Information

To Show Reviewed Consolidated Proforma Financial Statements
After Acquisition Of Arris Consulting Sdn Bhd

I SYNERGY HOLDINGS BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 AND 30 JUNE 2019

	Note	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Assets				
Non-current assets				
Property, plant and equipment	4	-	-	92,170
Investment in unquoted shares	5	-	-	10,377
Unsecured loans	6	-	-	926,000
Investment in Associated company	7	-	-	99
Intangible assets	8	-	-	117,144
Total non-current assets		-	-	1,145,790
Current assets				
Trade and other receivables	9	-	-	3,324,250
Deposit and prepayments	10	28,179	-	76,278
Cash and cash equivalents	11	94,172	104,115	1,653,568
Total current assets		122,351	104,115	5,054,096
Total assets		122,351	104,115	6,199,886
Equity and liabilities				
Capital and reserves				
Contributed share capital	12	100,000	307,164	2,835,645
(Accumulated losses)/Retained profits	13	(326,449)	(409,049)	2,077,313
Equity attributable to owners of the Company		(226,449)	(101,885)	4,912,958
Non-controlling interest	14	-	-	260
Total equity		(226,449)	(101,885)	4,913,218

I SYNERGY HOLDINGS BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 AND 30 JUNE 2019

	Note	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Non-current liabilities				
Amount attributable to unitholders	15	-	-	588,000
Total non-current liabilities		-	-	588,000
Current liabilities				
Trade and other payables	16	252,670	106,370	473,745
Accruals		2,500	6,000	18,120
Amount due to Directors	17	93,630	93,630	143,837
Provision for taxation		-	-	62,966
Total current liabilities		348,800	206,000	698,668
Total liabilities		348,800	206,000	1,286,668
Total liabilities and equity		122,351	104,115	6,199,886

I SYNERGY HOLDINGS BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 AND 30 JUNE 2019

	Reviewed Consolidated Proforma 30 June 2019	Subsequent Events	Offer	Proforma after Offer
	MYR	MYR	MYR	MYR
Assets				
Non-current assets				
Property, plant and equipment	92,170			92,170
Investment in unquoted shares	10,377			10,377
Unsecured loans	926,000			926,000
Investment in Associated company	99	44,100		44,199
Intangible assets	117,144			117,144
Total non-current assets	1,145,790	44,100		1,189,890
Current assets				
Trade and other receivables	3,324,250			3,324,250
Deposit and prepayments	76,278			76,278
Cash and cash equivalents	1,653,568	124,149	(99,670)	1,678,047
Total current assets	5,054,096	124,149	(99,670)	5,078,575
Total assets	6,199,886	168,249	(99,670)	6,268,465
Equity and liabilities				
Capital and reserves				
Contributed share capital	2,835,645	374,249	330	3,210,224
(Accumulated losses)/Retained profits	2,077,313		(100,000)	1,977,313
Equity attributable to owners of the Company	4,912,958	374,249	(99,670)	5,187,537
Non-controlling interest	260			260
Total equity	4,913,218	374,249	(99,670)	5,187,797

I SYNERGY HOLDINGS BERHAD
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018 AND 30 JUNE 2019

	Reviewed Consolidated Proforma 30 June 2019 MYR	Subsequent Events MYR	Offer MYR	Proforma after Offer MYR
Non-current liabilities				
Amount attributable to unitholders	588,000			588,000
Total non-current liabilities	588,000			588,000
Current liabilities				
Trade and other payables	473,745	(106,370)		367,375
Accruals	18,120	(6,000)		12,120
Amount due to Directors	143,837	(93,630)		50,207
Provision for taxation	62,966			62,966
Total current liabilities	698,668	(206,000)		492,668
Total liabilities	1,286,668	(206,000)		1,080,668
Total liabilities and equity	6,199,886	168,249	(99,670)	6,268,465

Assumptions adopted in compiling the pro-forma statement of financial position

Subsequent Events

i. Investment of MYR130,000 in Arris Consulting Sdn Bbd.
ii. Investment of MYR200,000 in I Synergy Holdings Bhd, which will be used to pay the outstanding balance of Other Payables, Accruals and Amount due to Directors in I Synergy Holdings Bhd, amounting to MYR206,000.
iii. Acquisition of TST Arris Partners Sdn Bhd by Arris Consulting Sdn Bhd, resulting an increase of MYR44,100 in Investment in Associated Company.
iv. Incorporation of an Australian based subsidiary with a paid-up capital of MYR100.

Pro-forma impact of the offer

The statement of financial position has been adjusted for the impact of the offer to raise A$110 or MYR330 from the issue of 1,000 shares at A$0.11 per share. MYR100,000 have been treated as listing costs.

I SYNERGY HOLDINGS BERHAD
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND 30 JUNE 2019

	Note	Audited Historical 1/1/2018 to 31/12/2018 MYR	Reviewed Historical 1/1/2019 to 30/6/2019 MYR	Reviewed Consolidated Proforma 1/7/2018 to 30/6/2019 MYR
Revenue	18	-	-	2,433,077
Cost of sales and direct expenses		-	-	(222,389)
Gross profit		-	-	2,210,688
Other operating income		652	-	16,676
Administration expenses		(204,288)	(82,600)	(1,221,204)
Selling and distribution expenses		-	-	(26,444)
Other operating expenses		-	-	(64,547)
(Loss)/Profit before taxation	19	(203,636)	(82,600)	915,169
Income tax expense	20	-	-	(109,083)
(Loss)/Profit after taxation for the financial year		(203,636)	(82,600)	806,086
(Loss)/Profit attributable to:				
Non-controlling interests		-	-	(828)
Owners of the Company		(203,636)	(82,600)	806,914
Total comprehensive (loss)/income for the financial year		(203,636)	(82,600)	806,086

I SYNERGY HOLDINGS BERHAD
STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND 30 JUNE 2019

Audited/Reviewed historical	Share capital MYR	Accumulated losses MYR	Total MYR
Balance at 1 January 2018	100,000	(122,813)	(22,813)
Total comprehensive loss for the financial period	-	(59,127)	(59,127)
Balance at 30 June 2018/1 July 2018	100,000	(181,940)	(81,940)
Total comprehensive loss for the financial period	-	(144,509)	(144,509)
Balance at 31 December 2018/1 January 2019	100,000	(326,449)	(226,449)
Issuance of ordinary shares	207,164	-	207,164
Total comprehensive loss for the financial period	-	(82,600)	(82,600)
Balance at 30 June 2019	307,164	(409,049)	(101,885)

Reviewed consolidated proforma	Share capital MYR	Retained profits MYR	Non-controlling interest MYR	Total MYR
Balance at 1 July 2018	100,000	1,270,399	1,088	1,371,487
Issuance of ordinary shares	2,735,645	-	-	2,735,645
Total comprehensive income for the financial period	-	806,914	(828)	806,086
Balance at 30 June 2019	2,835,645	2,077,313	260	4,913,218

I SYNERGY HOLDINGS BERHAD
STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 AND 30 JUNE 2019

	Note	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Cash flows from operating activities				
(Loss)/Profit before taxation		(203,636)	(82,600)	915,169
Adjustments for:				
Amortisation of intangible assets		-	-	16,775
Depreciation of property, plant and equipment		-	-	42,736
Gain on disposal of property, plant and equipment		-	-	(10,000)
Interest income		-	-	(5,907)
Operating (loss)/profit before working capital changes		(203,636)	(82,600)	958,773
(Increase)/decrease in receivables		(28,179)	28,179	(965,941)
Increase in payables		206,829	64,364	150,278
Increase/(decrease) in amount due to Associated Company		10,781	-	(936)
Increase/(decrease) in amount due to Directors		93,630	-	(50,302)
Cash generated from operations		79,425	9,943	91,872
Taxation paid		-	-	(63,179)
Net cash generated from operating activities		79,425	9,943	28,693
Cash flows from investing activities				
Interest received		-	-	5,907
Proceeds from disposal of property, plant and equipment		-	-	10,000
Purchase of property, plant and equipment		-	-	(28,315)
Net cash used in investing activities		-	-	(12,408)
Cash flows from financing activities				
Issuance of contributed share capital		-	-	712,710
Net cash generated from financing activities		-	-	712,710
Net increase in cash and cash equivalents		79,425	9,943	728,995
Cash and cash equivalents carried forward		14,747	94,172	924,573
Cash and cash equivalents brought forward	11	94,172	104,115	1,653,568

1. REPORTING ENTITY

I Synergy Holdings Berhad was registered under the Malaysian Companies Act 1965 on April 2015. Arris Consulting Sdn Bhd is incorporated and domiciled in Malaysia.

On (date), I Synergy Sdn Bhd entered into a sale and purchase agreement ("Agreement") with each shareholder of Arris Consulting Sdn Bhd as detailed in Section 4 of the Explanatory Memorandum under which the Company acquired all of the shares in Arris Consulting Sdn Bhd. The Agreement is subject to certain conditions as detailed in Section 1 of this report.

The historical financial information from 1 July 2018 is that of I Synergy Holdings Bhd and the proforma consolidated balances comprise the Company and its controlled entities as if the above acquisition had been effected as at that date.

The acquisition of Arris Consulting Sdn Bhd by the Company has the features of a reverse acquisition under Australian Accounting Standard AASB 3 "Business Combinations", notwithstanding I Synergy Holdings Berhad being the legal parent of the Group.

The transaction is outside the scope of AASB 3 as I Synergy Holdings Berhad does not constitute a business as defined by this standard. In this instance, the principles of reverse acquisition accounting are applied to determine the accounting acquirer but the transaction is accounted for as a share-based payment by the accounting acquirer for the net identifiable assets of the accounting acquire in accordance with AASB 2 "Share-based Payment".

As a result of this accounting treatment, the financial statements presented in this report comprise the following:

(a) Statement of Financial Position:

- Historical financial information – I Synergy Holdings Bhd as at 31 December 2018 and 30 June 2019;

- Proforma consolidated financial information — the historical balances of I Synergy Holdings Bhd as at 30 June 2019, after incorporating the significant events and proposed transactions by the Company as detailed in Note 2(m), the proforma Statement of Financial Position comprise the historical balances of:

  (i) I Synergy Holdings Bhd; and
  (ii) Arris Consulting Sdn Bhd; and
  (iii) Arris Venture Sdn Bhd; and
  (iv) Arris Venture Management Sdn Bhd; and
  (v) Arris Project Advisory Sdn Bhd; and
  (vi) Arris Risk Planning Sdn Bhd; and
  (vii) Arris MSC Sdn Bhd; and
  (viii) ACT Partners

1. REPORTING ENTITY (Continued)

(b) Statement of Comprehensive Income and Statement of Cash Flows:

- Historical financial information —I Synergy Holdings Bhd for the period 1 January 2018 to 31 December 2018 and 1 January 2019 to 30 June 2019;

- Proforma consolidated financial information — the historical balances of I Synergy Holdings Bhd for the period 1 January 2019 to 30 June 2019, after including the proforma adjustments as detailed in Note 3(s).

(c) Consolidated Statements of Changes in Equity

- Historical financial information —I Synergy Holdings Bhd for the period 1 January 2018 to 31 December 2018 and 1 January 2019 to 30 June 2019;

- Proforma consolidated financial information — the historical balances of I Synergy Holdings Bhd for the period 1 January 2019 to 30 June 2019, after including the proforma adjustments as detailed in Note 3(s).

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") issued by the Malaysian Accounting Standards Board ("the MASB"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

In the previous financial years, the financial statements of the Group and of the Company were prepared in accordance with Malaysian Private Entities Standards ("MPERS").

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise stated in the summary of significant accounting policies.

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

(a) Adoption of MFRS during the Current Financial Year

The financial statements of the Group and of the Company for the financial year ended 30 June 2019 are the first set of financial statements prepared in accordance with the MFRS, including MFRS 1 – First-time Adoption of Malaysian Financial Reporting Standards.

The following MFRSs effective for the financial year:

MFRS	Effective for annual periods beginning on or after
MFRS 9 *Financial Instruments*	1 January 2018
MFRS 15 *Revenue from Contracts with Customers*	1 January 2018
Amendments to MFRS 15 *Clarifications to MFRS 15 Revenue from Contracts with Customers*	1 January 2018

The following MFRSs become effective for the financial year under review:

MFRS	Effective for annual periods beginning on or after
IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
Amendments to MFRS 4 *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*	1 January 2018
Amendments to MFRS 128 *Investments in Associates and Joint Ventures* (Annual Improvements to MFRS Standards 2014-2016 Cycle)	1 January 2018

The initial applications of the above MFRSs did not have any significant impacts on the financial statements.

The Group and the Company have not applied the following MFRSs which have been issued as at the end of the reporting period but are not yet effective:

MFRS (Issued as at the end of the reporting period)	Effective for annual periods beginning on or after
MFRS 16 Leases	1 January 2019
MFRS 17 Insurance Contracts	1 January 2021
IC Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 3 Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2020
Amendments to MFRS 3 Definition of a Business	1 January 2020
Amendments to MFRS 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 11 Previously Held Interest in a Joint Operation (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 101 and MFRS 108 Definition of Material	1 January 2019
Amendments to MFRS 112 Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 119 Plant Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123 Borrowing Costs Eligible for Capitalisation (Annual Improvements to MFRS Standards 2015-2017 Cycle)	1 January 2019
Amendments to MFRS 128 Long-term Interests in Associates and Joint Ventures	1 January 2019
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Critical accounting estimates and judgements

The preparation of the 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 estimates are revised and if any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements. The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

(i) Intangible assets

The Company has intangible assets (other than goodwill) and the annual amortisation of intangible assets is charged to the statements of comprehensive income. The Company reviews the residual value and useful life of intangible assets at each reporting date in accordance with the accounting policy as disclosed in Note 2(f). Changes in the residual value arising from the impairment assessment and the review of useful life could have significant impact on the results of the Company.

(ii) Income taxes

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

(iii) Impairment of non-financial assets

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

(iv) Impairment of intangible assets

This requires management to estimate the expected future cash flows, to apply a suitable discount rate to determine the present value of those cash flows. The impairment assessment could be materially affected by the changes in the assumptions and estimates used in the cash flows projection.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Critical accounting estimates and judgements (Continued)

(v) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a loan or receivable is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor 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 Group and the Company's loan and receivables at the reporting date are disclosed in note to the financial statements.

In adoption of MFRS 9, the Group and the Company assess on a forward-looking basis the expected credit loss associated with their debt instruments carried at amortised cost. The impairment methodology applied as disclosed in Note 2(q) depends on whether there has been a significant increase in credit risk.

(vi) Carrying value of investment in subsidiaries

Investment in subsidiaries is reviewed for impairment annually in accordance with its accounting policy whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgements made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying values of investment in subsidiaries.

(vii) Impairment of investment in an associate

The Group and the Company assess at each reporting date whether the carrying amount of its investment in an associate is impaired. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include the use of discounted cash flows analysis, considering the current market value indicators and recent arms-length market transactions. These estimates provide reasonable approximations to the computation of recoverable amounts.

In performing discounted cash flows analysis, discount rate and growth rates used reflect, amongst others, the maturity of the business development cycle as well as the industry growth potential. The growth rates used to forecast the projected cash flows for the following year approximate the performances of the respective investments based on the latest available management accounts.

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation

(i) Subsidiaries

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

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction cost.

(ii) Associates

The Company recognises an associate based on the criterion of significant influence. Significant influence exists when the Company has the power to participate in the financial and operating policy decisions of the investee but has no control or joint control of those policies. This is normally (though not necessarily) accomplished when the Company, directly or indirectly through associates, holds 20 per cent, or more of the voting rights of the investee. When the Company's voting rights in investee are less than 20 per cent, the Company assesses of potential voting rights that are substantive, representation on the board of directors, participation in policy making processes, material transactions between the Company and the investee, interchange of managerial personnel and provision of essential technical information.

The Company may sometimes hold an insignificant equity interest in investee to cement a trading relationship and is represented on the board of the directors of the investee. If the Company's representation on the board of directors is solely for the purpose of protecting the value of the investment rather than participation in the policy decisions, the investee is not classified as an associate.

As no consolidated financial statements have been prepared during the year, the investment in Associate is accounted for using the cost.

(ii) Business combination

Business combinations are accounted for by applying the purchase method from the acquisition date, which is the date on which the Group obtains control of the acquire. The cost of business combination is aggregate of the fair values, at the date of exchange, of asset s given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquire, and any costs directly attributable to the business combination.

When the cost of the business is in excess of the Group's interest in the net fair value of the identifiable asset, liabilities and contingent liabilities recognised, the excess recognised as goodwill. When the excess is negative, a bargain purchase gain is recognised immediately in profit and loss.

The non-controlling interest in the acquiree is measured at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

3. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

(b) **Basis of consolidation** (Continued)

(iii) Acquisition of non-controlling interests

The Group accounts all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group recognises the difference between proceeds from the disposal of the subsidiary and its carrying amounts as of the date of disposal. If the Group retains any interest in the former subsidiary, that investment is accounted for as a financial asset from the date the entity ceases to be a subsidiary, provided that it does not become an associate or a jointly controlled entity. The carrying amount of the investment at the date that the entity ceases to be a subsidiary is regarded as the cost on initial measurement of the financial asset.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holder of the Company, are presented in the consolidated statement of the financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have deficit balance.

(vi) Transaction eliminated on consolidated

Intra-group balances and transactions, including income, expenses and dividends, are eliminated in full in preparing the consolidated financial statements.

Unrealised profits and losses arising from the transactions with equity-accounted associates and jointly controlled entities are eliminated against the investment to the extent that there is evidence of an impairment of the asset transferred.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life. The depreciation methods used and the useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life (years)
Air conditioner	Straight line	10
Computer	Straight line	2.5
Furniture and fittings	Straight line	10
Leasehold improvements	Straight line	10
Motor vehicles	Straight line	5
Office equipment	Straight line	5
Renovation	Straight line	10
Signboard	Straight line	5
Software	Straight line	3

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current period.

(d) Impairment of non-financial assets

The carrying amounts of property, plant and equipment and other non-current assets, including intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an item of asset or its cash-generating unit exceeds its recoverable amount.

The impairment loss is charged to the statement of income and retained profits unless it reverses a previous revaluation in which case it is charged to the revaluation reserve. Any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation reserve.

(e) Investments

Investment in unquoted shares is stated at cost less accumulated impairment losses, if any.
Other investments, including investments in subsidiary and associated company, which are held for long term, are stated at cost and are not written down unless, the directors are of the opinion that there is a permanent diminution in value in which case provision is made for the diminution in value of this investment.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Intangible assets with indefinite useful lives are not amortised but 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 the cash generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

(g) Receivables

Most sales are made on the basis or normal credit terms, and the receivables do not bear interest. Where credit is extended beyond normal credit terms, receivables are measured at amortised cost using the effective interest method. At the end of each reporting period, the carrying amounts of receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

(h) Net assets attributable to unitholders

The units are classified as financial liabilities as the Fund is required to distribute its distributable income. The units can be put back to the Fund at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value attributable to the unitholders. The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the unit back to the Fund.

(i) Cash and cash equivalents

Cash and cash equivalents consist of bank which have an insignificant risk of changes in fair value with original maturities of three months or less and used by the Group and the Company in the management of their short-term commitments.

(j) Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of past event, when 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.

A provision is measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects the time value of money and the risk that the actual outcome might differ from the estimate made. the unwinding of the discount is recognised as an interest expense.

(k) Liabilities

Payables are stated at cost, which is the fair value of the consideration to be paid in the future for goods and services received. Borrowings are interest-bearing and are recorded at the amount of proceeds received, net of transaction costs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Ordinary shares

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.

(m) Related parties

A party is related to an entity if:

a. Directly, or indirectly through one or more intermediaries, the party:

   (i) Controls, is controlled by, or is under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);

   (ii) Has an interest in the entity that gives it significant influence over the entity; or

   (iii) Has joint control over the entity;

b. the party is an associate of the entity

c. the party is a joint venture in which the entity is a venturer;

d. the party is a member of the key management personnel of the entity or its parent;

e. the party is a close member of the family of any individual referred to in (i) or (iv);

f. the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

g. the party is a post-employment benefit plan for the benefit of employees of the entity, or of any entity that is a related party of the entity.

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

(n) Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group and the Company's customary business practices.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Revenue recognition (Continued)

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.
The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

(i) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company perform;

(ii) The Company's performance create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) The Company's performances do not create an asset with an alternative use and the Company has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(o) Income taxes

Current tax

Tax expense represents the aggregate amount of current and deferred tax. Current tax is the expected amount payable in respect of taxable income for the financial year, using tax rates enacted or substantively enacted by the reporting date and any adjustments recognised for prior years' tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

(p) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively.

(i) Initial recognition and measurement

Financial assets or financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company becomes a party to the contractual provisions of the instrument.

A financial assets (unless it is a trade receivable without significant financing component) or a financial liabilities is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

The Group and the Company categorise financial instruments as follows:

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Any gain or loss on derecognition is recognised in profit or loss.
Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Financial instruments (Continued)

(iii) Financial instrument categories and subsequent measurement (Continued)

The Group and the Company categorise financial instruments as follows:

Financial liabilities
The category of financial liabilities at initial recognition is as follows:
Amortised cost
Other financial liabilities not categorised as fair value through profit or loss is subsequently measured at amortised cost using the effective interest method.
Foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iv) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Group and the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(v) 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 control of the asset is not retained or substantially all of the risk and rewards of ownership of the financial assets are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Impairment

(i) Financial assets

At each reporting date, the Group and the Company recognise a loss allowance for expected credit losses on a financial asset measured at amortised cost. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. Any adjustment to the loss allowance is recognised in profit or loss as an impairment gain or loss.

Irrespective of whether there is any significant increase in credit risk since initial recognition, the loss allowance for trade receivables is always measured at an amount equal to lifetime expected credit losses using the simplified approach in accordance with MFRS 9 Financial Instruments. Such lifetime expected credit losses are calculated using a provision matrix based on historical credit loss experience and adjusted for reasonable and supportable forward-looking information that is available without undue cost or effort.

The expected credit losses for a credit-impaired financial asset are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The gross carrying amount of a credit-impaired financial asset is directly written off when there is no reasonable expectation of recovery.

(ii) Non-financial assets

The carrying amounts of the other assets (except for inventories and deferred tax asset) are reviewed at each reporting period to determine whether there is any indication of impairment. Is any such indication exist, and then the asset's recoverable amount is estimated. For the purpose of impairment testing, assets are grouped together into smallest group of assets that generates cash flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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.
Impairment losses are recognised in profit or loss.

In respect of non-financial assets, impairment losses recognised in prior periods are at assessed at each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Proforma transactions

The proforma Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow have been derived from the historical financial information as at 30 June 2019 adjusted to give effect to the following actual or proposed significant events and transactions by the Company subsequent to 30 June 2019.

The acquisition of Arris Consulting Sdn Bhd by the Company for consideration represented by the issue of shares in the Company being issued to each shareholder of Arris Consulting Sdn Bhd.

4. PROPERTY, PLANT AND EQUIPMENT

Reviewed consolidated proforma	Air conditioner	Computer	Furniture and fittings	Leasehold improvements	Motor vehicles	Office equipment	Renovation	Signboard	Software	Total
	MYR	MYR	MYR	MYR	MYR	MYR	MYR	MYR	MYR	MYR
2019										
Cost										
At 1 July 2018	27,800	201,123	57,208	12,211	228,419	87,086	6,472	3,480	12,429	636,228
Addition	-	9,515	12,800	-	-	-	-	-	6,000	28,315
Disposal	-	-	-	-	(152,000)	-	-	-	-	(152,000)
At 30 June 2019	27,800	210,638	70,008	12,211	76,419	87,086	6,472	3,480	18,429	512,543
Accumulated depreciation										
At 1 July 2018	26,300	188,544	53,897	12,211	152,000	74,304	6,472	3,480	12,429	529,637
Addition	900	10,117	1,560	-	22,926	4,263	-	-	2,970	42,736
Disposal	-	-	-	-	(152,000)	-	-	-	-	(152,000)
At 30 June 2019	27,200	198,661	55,457	12,211	22,926	78,567	6,472	3,480	15,399	420,373
Net book value										
At 30 June 2019	600	11,977	14,551	-	53,493	8,519	-	-	3,030	92,170

5. INVESTMENT IN UNQUOTED SHARES

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Unquoted shares in Malaysia – at cost			
At beginning of the year	-	-	10,397
Deduction	-	-	(20)
At end of the year	-	-	10,377

These investments are not deemed to be associated or subsidiary companies because the investments were acquired with the objective of achieving capital appreciation through the subsequent disposal of the investments.

6. UNSECURED LOANS

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
At cost			
At beginning of the financial year	-	-	880,920
Addition	-	-	45,080
At end of the financial year	-	-	926,000

The unsecured loans were given to the investee companies. The loans are unsecured, interest-free and have no fixed terms of repayment.

7. INVESTMENT IN ASSOCIATED COMPANY

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Unquoted shares in Malaysia – at cost	-	-	99

Details of the Associate are as follows:

Name of Associate	Place of incorporation	Effective equity interest 2019	Effective equity interest 2018	Principal activity
Mybitek Horizon Sdn. Bhd. (Co. No. 1226407 - T)	Malaysia	50%	50%	Carry on research and business in green packaging technology.
TST Arris Partners Sdn. Bhd. (Co. No. 1275459 - T)	Malaysia	49%	49%	Principally engaged in consulting services.

8. INTANGIBLE ASSETS

Reviewed Consolidated Proforma 2019	Branding MYR	Computer database MYR	Total MYR
Cost			
At 1 July 2018	200,000	135,492	335,492
At 30 June 2019	200,000	135,492	335,492
Accumulated amortisation			
At 1 July 2018	100,000	101,573	201,573
Addition	10,000	6,775	16,775
At 30 June 2019	110,000	108,348	218,348
Net book value			
At 30 June 2019	90,000	27,144	117,144

9. TRADE AND OTHER RECEIVABLES

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Trade receivables*	-	-	3,217,498
Advances to related companies - Trade**	-	-	152,000
Less: Provision for doubtful debts	-	-	(228,670)
Total trade receivables	-	-	3,140,828
Amount owing from Subsidiaries**	-	-	936
Other receivables	-	-	182,486
Total trade and other receivables	-	-	3,324,250

* The Company's normal trade credit term ranges from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

** Amount owing from Subsidiaries are interest-free and without any fixed terms of repayment.

*** The advances to related companies are repayable on demand in cash, unsecured and interest-free.

10. DEPOSITS AND PREPAYMENTS

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Deposits	-	-	76,278
Prepayments	28,179	-	-
Total deposits and prepayments	28,179	-	76,278

11. CASH AND CASH EQUIVALENTS

The Group and the Company's cash management policy are to use bank balances to manage cash flows to ensure sufficient liquidity to meet the Group and the Company's obligations. The components of cash and cash equivalents consist of:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Cash at bank	1,653,568	924,573	104,115

12. CONTRIBUTED SHARE CAPITAL

	No. of shares	Monetary value MYR
Audited Historical - 31 December 2018		
Issued and fully paid:		
At beginning and end of the year	100,000	100,000
Reviewed Historical - 30 June 2019		
Issued and fully paid:		
At beginning of the year	100,000	100,000
Issuance of share capital	207,164	207,164
At end of the year	307,164	307,164
Reviewed Consolidated Proforma - 30 June 2019		
Issued and fully paid:		
At beginning of the year	100,000	100,000
Issuance of share capital	2,735,645	2,735,645
At end of the year	2,835,645	2,835,645

Ordinary shares of the Company have no par value. The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

13. RETAINED PROFITS/(ACCUMULATED LOSSES)

The retained profits of the Company are available for distributions by way cash dividend or dividends in specie. Under the single-tier system of taxation, dividends payable to shareholders are deemed net of income taxes. There is no potential income tax consequence that would result from the payment of dividends to shareholders.

14. NON-CONTROLLING INTEREST

This consists of the non-controlling interest shareholders' proportion of share capital and reserves of a subsidiary, net of their share of subsidiary's goodwill on consolidation and amortisation of goodwill charged to the non-controlling interest shareholders.

15. AMOUNT ATTRIBUTABLE TO UNITHOLDERS

Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Applications	-	-	588,000

Each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

16. TRADE AND OTHER PAYABLES

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Trade payables	-	-	210,025
Advance from related companies – Trade*	-	-	38,804
Other payables	252,670	106,370	224,916
Total other payables and accruals	252,670	106,370	473,745

* The advances from related companies are repayable on demand in cash, unsecured and interest-free.

17. AMOUNT DUE TO DIRECTORS

The amount due to directors is unsecured, interest free and has no fixed terms of repayment.

18. REVENUE

	Note	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Revenue from				
- Accounting services		-	-	40,100
- Audit services		-	-	1,493,205
- Consulting services		-	-	508,856
- Outsourced payroll services		-	-	25,200
- Professional services		-	-	2,115
- Taxation services		-	-	363,601
		-	-	2,433,077
Timing of revenue recognition - Rendering of services:				
- Point in time	(i)	-	-	2,407,877
- Over time	(ii)	-	-	25,200
		-	-	2,433,077

Rendering services

(i) *Services rendered recognised at point in time*

Revenue from providing services is recognised at a point in time when the service has been performed and customer acceptance has been obtained.

(ii) *Services rendered recognised over time*

Performance obligation ("PO")

The Company entered into separate fixed-price contracts with respective customers and such obligations are distinct and are able to be performed separately and tailored to respective needs of different customers.

Timing of recognition

The performance obligation is satisfied over time upon completion of services. Customers simultaneously consumed and received the benefits provided by the Company on the service rendered are recognised over time. The Company has an enforceable right to payment for the services provided completed over the contract period.

19. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit from operations before taxation has been arrived at:

	Note	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
After charging:				
Audit fees		2,500	3,500	4,400
Under provision of audit fees		-	-	36
Amortisation of intangible assets		-	-	16,775
Depreciation of property, plant and equipment		-	-	42,736
Director's emoluments	(b)	-	-	60,000
Employee benefits expense	(a)	-	-	829,664
Realised loss on foreign exchange		-	812	-
And crediting:				
Interest income		-	-	(5,907)
Gain on disposal of property, plant and equipment		-	-	(10,000)
Other income		-	-	(769)

(a) Employee benefits expense comprises of:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Salaries, bonus and allowances	-	-	747,652
Contributions to defined contribution plan	-	-	82,012
Total employee benefits expense	-	-	829,664

The remuneration of the Director is paid to Director as an employee of the Company.

19. (LOSS)/PROFIT BEFORE TAXATION (Continued)

(b) The remuneration of the Director is as follows:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Fees	-	-	60,000

The numbers of employees of the Group and the Company including Directors as at the end of the financial year are 20 (2018: 2).

20. INCOME TAX EXPENSE

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Current income tax expense:			
- Taxes payable in Malaysia	-	-	109,083
Total tax expense for the year	-	-	109,083
Reconciliation of tax expense:			
(Loss)/Profit before taxation	(203,636)	(82,600)	915,169
Tax at the statutory income tax rate	(36,654)	(14,042)	184,641
Tax effects of expenses disallowed for tax purpose:			
- Other expenses disallowed for tax purpose	36,654	14,042	(75,558)
Tax expense	-	-	109,083

The current Malaysian tax rate is 17% (2018: 18%) for the first MYR500,000 chargeable income and 24% (2018: 24%) thereafter.

21. RELATED PARTY TRANSACTIONS

During the financial year, the Company carried the following transactions with the related party during the financial year:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Amount owing from Subsidiaries	-	-	936
Advance to related companies - Trade	-	-	152,000
Advance from related companies - Trade	-	-	38,804
Sales	-	-	(152,000)

22. FINANCIAL INSTRUMENTS

Categories of financial instruments

The Group and the Company's financial assets and financial liabilities are all categorised as amortised costs respectively. In prior year, the Group and the Company's financial assets and financial liabilities are all categorised as loans and receivables and other financial liabilities at amortised costs respectively.

Financial Risk Management Objectives and Policies

The Group and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group and the Company's operations whilst managing their financial risks, including credit risk and liquidity risk. The Group and the Company operates within clearly defined guidelines that are approved by the Directors and the Company's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group and the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. There are no significant changes as compared to prior years.

Cash and cash equivalents

The cash and cash equivalents are held with banks. As at the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position. These banks have low credit risks. Hence, a loss allowance is not necessary.

22. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Management Objectives and Policies (Continued)

(b) Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain credit facilities.

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practices prudent risk management by maintaining sufficient cash balances and the availability of funding through certain credit facilities.

Analysis of financial instruments by remaining contractual maturities

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

	Less than 1 year MYR	Between 1 and 5 years MYR	Total MYR
Financial liabilities			
Audited Historical - 31 December 2018			
Other payables and accruals	255,170	-	255,170
Amount due to Directors	93,630	-	93,630
	348,800	-	348,800
Reviewed Historical - 30 June 2019			
Other payables and accruals	112,370	-	112,370
Amount due to Directors	93,630	-	93,630
	206,000	-	206,000
Reviewed Consolidated Proforma - 30 June 2019			
Trade and other payables	491,865	-	491,865
Amount due to Directors	143,837	-	143,837
Amount attributable to Unitholders	-	588,000	588,000
	635,702	588,000	1,223,702

23. CAPITAL MANAGEMENT

The primary objective of the Group and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic condition. To maintain or adjust capital structure, the Group and the Company may adjust the dividend payment, return of capital to shareholders or issuance of new shares.
There were no changes in the Group and the Company's approach to capital management during the financial year.

The gearing ratios as follows:

	Audited Historical 31 December 2018 MYR	Reviewed Historical 30 June 2019 MYR	Reviewed Consolidated Proforma 30 June 2019 MYR
Amount attributable to Unitholders	-	-	588,000
Trade and other payables	255,170	112,370	491,865
Amount due to Directors	93,630	93,630	143,837
Total debts	348,800	206,000	1,223,702
Less: Cash and cash equivalents	(94,172)	(104,115)	(1,653,568)
Net debts/(cash)	254,628	101,885	(429,866)
Total equity	(226,449)	(101,885)	4,913,218
Total net debt and equity	28,179	-	4,483,352
Debt to net debt and equity ratio	11%	*	*

** Not meaningful*

24. COMPARATIVE FIGURES

No comparative figures have been reclassified to conform to current year's format of presentation.

25. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements are authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated

11 Glossary

Where the following terms are used in this Explanatory Memorandum they have the following meanings:

$ or A$	Australian dollars unless otherwise stated
AccountsTech	Disruptive Accounting Technology
ACSB	Arris Consulting Sdn Bhd
AGM	Annual General Meeting
AI	Artificial Intelligence
Applicant	a person who submits a valid Application Form pursuant to this Explanatory Memorandum
Application	a valid application made on an Application Form to subscribe for Shares pursuant to this Explanatory Memorandum
Application Form	the application form attached to this Explanatory Memorandum
Arris Group of Companies	Subsidiaries of the Company
ARBN	Australian Registered Body Number
ASEAN	Association of Southeast Asian Nations
ASIC	the Australian Securities & Investments Commission
ASX	the ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited
Board	the Board of Directors of the Company
BPO	Business Process Outsourcing
CDI	CHESS Depository Interests, being a unit of beneficial ownership of Shares
CDN	CHESS Depositary Nominees Pty Ltd
CFC	Controlled Foreign Company
CGT	Capital Gain Tax
Chairman	the Chairman of the Company
CHESS	Clearing House Electronic Subregister System
Closing Date	the closing date for receipt of Application Forms under this Explanatory Memorandum, estimated to be 5.00 pm AEDT on 31 April 2020 or an amended time as set by the Board
Company	I Synergy Holdings Berhad

Corporations Act	Corporations Act 2001 (Cth)
CPA	Certified Practising Accountant
CTIM	Chartered Tax Institute of Malaysia
Director	a director of the Company
FAF	Foreign Accumulation Funds
FIF	Foreign Investment Fund
FITO	Foreign Income Tax Offset
GSLI	A.T. Kearney Global Services Location Index
HIN	Holder Identification Number
IRB	Malaysia's Inland Revenue Board
ISY	I Synergy Holdings Berhad
IT	Information Technology
ITO	Information Technology Outsourcing
M&A	The Memorandum of Association and the Articles of Association of the Company
MACS	Malaysian Association of Company Secretaries
Malaysian Companies Act	Malaysian Companies Act 2016 (as amended or restated from time to time)
MAICSA	Malaysian Institute of Chartered Secretaries and Administrators
MIA	The Malaysian Institute of Accountants
MNC	Multi-National Companies
MYR	Malaysian Ringgit
NSX	NSX Limited (ABN 98 008 624 691) or the National Stock Exchange (as the context requires)
Offer	an offer by the Company of 10,000,000 CDIs at $0.25 per CDI to raise a minimum of $200,000 under this Explanatory Memorandum
Official List	the official list of the NSX
Opening Date	opening date for the Offer under this Explanatory Memorandum, 2 March 2020 or another date as set by the Board
Sdn. Bhd.	Stands for Sendirian Berhad and is private limited company in Malaysia

Share	a fully paid ordinary share in the capital of the Company
Shareholder	a registered holder of Shares in the Company
Share Registry	Registry Direct Limited or any other share registry appointed by the Company from time to time
Shell Corporation	A corporation without active business operations or significant assets
SME	Small and medium-sized enterprises
SRN	Security Holder Reference Number
TIAG	The International Accounting Group
TREK	ISY’s proprietary Investor Relationship Management Platform
UITM	Malaysia’s Universiti Teknologi Mara