Amtel Holdings Berhad
(409449-A)

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ANNUAL REPORT 2017

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NOTICE OF THE
TWENTY-FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-First Annual General Meeting ("21st AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be held at Langkawi Room, 1st Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 9 May 2018 at 10.00 a.m. for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 November 2017 together with the Reports of the Directors and Auditors thereon. ***(Please refer to Explanatory Note 1 on Ordinary Business)***

2. To approve the payment of Directors' fees of RM214,000.00 for the financial year ended 30 November 2017. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits (other than Directors' fees) to the Directors which include meeting attendance allowance, medical expenses and other claimable benefits incurred from 1 January 2018 until the Company's next Annual General Meeting. **(Ordinary Resolution 2)**

4. To re-elect YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin who retires by rotation in accordance with Article 80 of the Company's Articles of Association and who being eligible, offers himself for re-election. **(Ordinary Resolution 3)**

5. To re-elect Tan Woon Huei who retires by rotation in accordance with Article 80 of the Company's Articles of Association and who being eligible, offers herself for re-election. **(Ordinary Resolution 4)**

6. To re-appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions:-

7. **Retention of Independent Non-Executive Directors pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017**

   i. "**THAT** subject to the passing of the Ordinary Resolution 3, YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 6)**

   ii. "**THAT** Mr. Siow Hock Lee, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 7)**

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING [continued]

8. **Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   (Ordinary Resolution 8)

   "**THAT**, subject always to the Companies Act 2016 ("the Act"), Articles of Association of the Company and/or approvals of the relevant authorities, the Directors of the Company be and are hereby authorised and empowered to allot and issue new shares in the Company, from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

9. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board
LIM LEE CHIN (MAICSA 7045204)
HOH YIT FOONG (LS 0018)

Company Secretaries
Selangor Darul Ehsan

29 March 2018

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 May 2018 shall be entitled to attend, speak and vote at this meeting.

2. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.

4. A member shall be entitled to appoint more than one (1) proxy to attend and vote at the meeting and that appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.

5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.

6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING
[continued]

Explanatory Notes on Ordinary Business:

1. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

2. Ordinary Resolution 2

   The Directors benefits comprise the allowances and other emoluments payable to the Directors, details of which are as follows:-

   a) Meeting attendance allowance (per meeting) (for each Executive Director or Non-Executive Director) – RM400.00
   b) Other benefits (for Non-Executive Directors only)
      - Medical expenses and other claimable benefits

   If the proposed Ordinary Resolution 2 is passed by the shareholders at the 21st AGM, payment of benefits incurred by the Directors from 1 January 2018 until the Company's next Annual General Meeting ("AGM") will be paid by the Company, as and when incurred.

3. Details of the Directors standing for re-election under Ordinary Resolutions 3 and 4 are stated in the Profile of Directors on pages 8 and 9 of the Annual Report 2017. Their securities holdings in the Company are stated on page 131 of the Annual Report 2017.

Explanatory Notes on Special Business:

1. **Ordinary Resolutions 6 and 7 – Retention of Independent Non-Executive Directors pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017**

   The Nomination Committee has assessed the independence of the following Directors, who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than twelve (12) years, and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

   Ordinary Resolution 6 : YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin

   i) He has confirmed and declared that he is an Independent Director as defined in the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
   ii) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
   iii) He has been with the Company for more than twelve (12) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
   iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

   Ordinary Resolution 7 : Mr. Siow Hock Lee

   i) He has confirmed and declared that he is an Independent Director as defined in the MMLR of Bursa Securities;
   ii) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
   iii) He has been with the Company for more than twelve (12) years with incumbent knowledge of the Company and the Group's activities and corporate history; and
   iv) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

NOTICE OF THE TWENTY-FIRST ANNUAL GENERAL MEETING
[continued]

Explanatory Notes on Special Business: (continued)

1. **Ordinary Resolutions 6 and 7 – Retention of Independent Non-Executive Directors pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017 (continued)**

   Practice 4.2 of the Malaysian Code on Corporate Governance 2017 states that the tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

   If the board intends to retain an independent director beyond nine years, it should justify and seek annual shareholders' approval. If the board continues to retain the independent director after the twelfth year, the board should seek annual shareholders' approval through a two-tier voting process.

2. **Ordinary Resolution 8 – Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act**

   The Company had at its 20th AGM held on 17 May 2017 obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act.

   The proposed Ordinary Resolution 8 is a renewal of the general mandate for issuance of shares by the Company. This resolution, if passed, will empower the Directors, from the date of the 21st AGM until the next AGM to allot and issue new shares of the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for the time being and for such purposes as the Directors consider would be in the best interests of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve the aforesaid. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

   The mandate will provide flexibility to the Company for allotment of shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment(s), acquisition(s) and/or working capital.

   Pursuant to the previous mandate, UOB Kay Hian Securities (M) Sdn Bhd, the Company's principal advisor, had on 20 November 2017 announced for and on behalf of the Board of Directors of the Company that the Company proposed to undertake a private placement of new ordinary shares in the Company of up to 10% of the issued shares of the Company ("Proposed Private Placement").

   As at the latest practicable date before printing of the Annual Report 2017, the exact quantum and timing of the Proposed Private Placement has not yet been determined, hence no proceeds have been raised.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING
(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

(i) Details of individual who are standing for election as Directors
   - No individual is seeking election as a Director at the 21st AGM of the Company.

(ii) Authority for Directors to issue shares pursuant to Sections 75 and 76 of the Act.
   - Kindly refer to item (2) of the Explanatory Notes of Special Business above.

CORPORATE INFORMATION

BOARD OF DIRECTORS

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin
Independent Non-Executive Chairman

Dato' Koid Hun Kian
Non-Independent Executive Director and Group Managing Director

Ms. Tan Woon Huei
Non-Independent Executive Director

Mr. Siow Hock Lee
Independent Non-Executive Director

Ir. Chew Yook Boo
Independent Non-Executive Director

AUDIT COMMITTEE

Ir. Chew Yook Boo (Chairman)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin
Mr. Siow Hock Lee

NOMINATION COMMITTEE

Ir. Chew Yook Boo (Chairman)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin
Mr. Siow Hock Lee

REMUNERATION COMMITTEE

Mr. Siow Hock Lee (Chairman)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin
Ir. Chew Yook Boo

COMPANY SECRETARIES

Ms. Lim Lee Chin (MAICSA 7045204)
Ms. Hoh Yit Foong (LS 0018)

AUDITORS

Baker Tilly Monteiro Heng (AF0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Tel : (603) 2297 1000
Fax : (603) 2282 9980

REGISTERED OFFICE

No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan
Tel : (603) 5632 2449
Fax : (603) 5637 0042

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : (603) 2783 9299
Fax : (603) 2783 9222

Customer Service Centre:
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

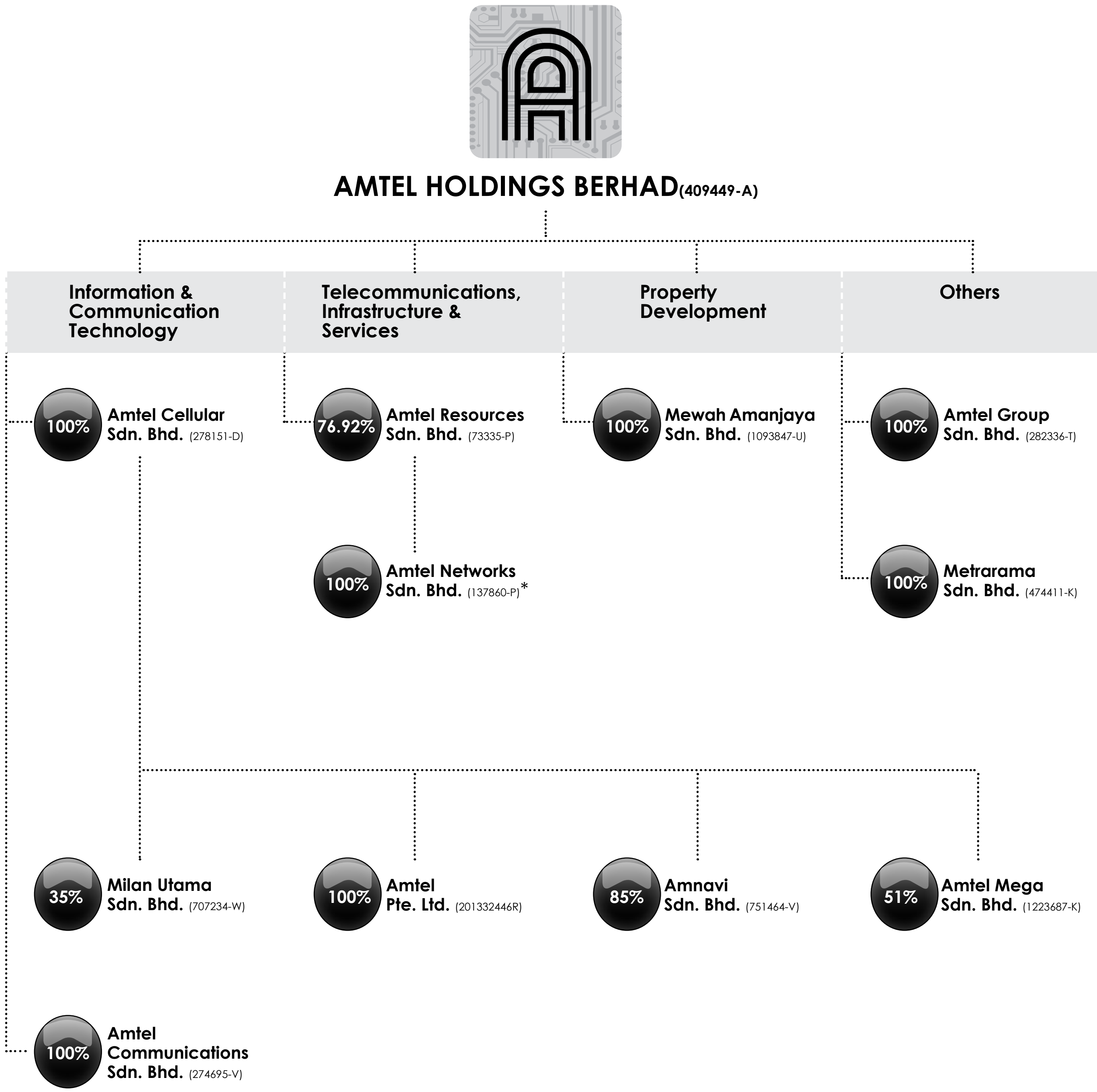
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name: Amtel
Stock Code : 7031

WEBSITE

www.amtel.com.my

GROUP
CORPORATE STRUCTURE



* Investment increased from 40% to 100% on 5 March 2018. [Refer to Note 41(b) to the audited financial statements set out on page 124]

PROFILE OF DIRECTORS

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN
(Independent Non-Executive Chairman)

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, a Malaysian aged 64, male, was appointed as Independent Non-Executive Chairman of Amtel Holdings Berhad ("AHB" or "Company") on 27 July 2005. He was first appointed as Independent Non-Executive Director to the Board on 31 July 1997. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

He graduated with a Bachelor of Science (Honours) degree and a Master degree in Business Administration from University of Tennessee, Knoxville, United States of America in 1977 and 1980 respectively.

He began his career in Sycip Gorres and Velayors Kassim Chan Sdn. Bhd., a management consultancy firm, as a management consultant in 1981. In 1983, he joined Kedah Cement Sdn. Bhd., a company involved in the manufacturing and sale of cement, clinker and related products, as the International Sales Manager. In 1989, he joined Asli Jardine Insurance Brokers Sdn. Bhd., an insurance broking company, as the Principal Officer and Director. In 1990, he joined Dagang Net Technologies Sdn. Bhd., an information technology company.

Currently, he is a director of Dwitasik Sdn. Bhd., an oil palm plantation company and he is also the Chairman of QC Protection & Investigation Services Sdn. Bhd. which is involved in the security services industry. He also sits on the Board of other private limited companies.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATO' KOID HUN KIAN
(Non-Independent Executive Director and Group Managing Director)

Dato' Koid Hun Kian, a Malaysian aged 61, male, is the Group Managing Director of AHB. He was first appointed to the Board on 31 July 1997.

He is a qualified accountant by profession, having admitted as a member of the Association of Chartered Certified Accountants (United Kingdom) since 1985 and he is a member of Malaysian Institute of Accountants. He has wide experience in audit, telecommunications, manufacturing, trading and Information and Communications Technology (ICT) industries. Prior to joining AHB, he was attached to various public accounting firms and a company involved in investment holding, management services, manufacturing and the trading of telecommunications equipment.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB, except that he is a substantial shareholder of AHB and Simfoni Kilat Sdn. Bhd., which is also a substantial shareholder of AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF DIRECTORS
[continued]

TAN WOON HUEI
(Non-Independent Executive Director)

Tan Woon Huei, a Malaysian aged 56, female, is a Non-Independent Executive Director of AHB. She was first appointed to the Board on 25 August 2014. She is also the Group General Manager of AHB.

She graduated with a Bachelor degree in Business Administration from University of Acadia, Canada in 1983. She joined the Group as a General Manager of Amtel Cellular Sdn. Bhd. ("AMCSB"), a major subsidiary of AHB engaged in the sales and marketing of telematics products in 2000 and became a director of AMCSB in 2002. Ms. Tan has extensive working experience in marketing and distribution of telecommunications and office automation products. Prior to joining AMCSB, she worked in senior management positions with companies involved in the trading of major brands of cellular handphones and office equipments.

She does not have any family relationship with any director and/or major shareholder of AHB, nor has she any conflict of interest with AHB. She has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

SIOW HOCK LEE
(Independent Non-Executive Director)

Siow Hock Lee, a Malaysian aged 61, male, is an Independent Non-Executive Director of AHB. He has been a Director of AHB since its incorporation on 9 November 1996. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

He is a member of the Association of Chartered Certified Accountants (United Kingdom) and Malaysian Institute of Accountants. He has extensive experience working as a professional accountant in public practice.

He is presently an independent non-executive director of Caely Holdings Berhad which is a public company listed on the Main Market of Bursa Malaysia Securities Berhad. He is also the independent non-executive director of Mykris International Berhad.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

IR. CHEW YOOK BOO
(Independent Non-Executive Director)

Ir. Chew Yook Boo, a Malaysian aged 61, male, is an Independent Non-Executive Director of AHB. He was appointed to the Board on 8 February 2017. He is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee.

He graduated from University of East Asia and University of Malaya with a Master degree in Business Administration and Bachelor degree (Honours) in Engineering respectively. He also holds a diploma in Accounting and Finance.

He has more than thirty (30) years of working experience in civil engineering and the operation and maintenance of sewerage works/ treatment plants including budgeting and planning. He started his career with Majlis Perbandaran Sungai Petani as a Civil Engineer from 1981 to 1996. In 1997, he joined Operasi Tembaga Sdn. Bhd. as a Managing Director in charge of land reclamation for development in Langkawi. Subsequently, he joined Indah Water Konsortium Sdn. Bhd. from 1998 to 2012 as a Unit Manager.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

LIM HUN TEIK
(General Manager, Amtel Cellular Sdn. Bhd. ("AMCSB"))

Lim Hun Teik, a Malaysian, aged 49, male, was appointed as the General Manager of AMCSB on 1 January 2011.

He graduated with a Master degree in Supply Chain Management from Midwest Missouri University in 2008.

He first joined AMCSB in September 2005 as a Senior Business Development Manager. Subsequently, he was promoted to Assistant General Manager in 2009 and took over the role of General Manager in 2011. His responsibilities in the company includes overseeing company's daily operations, liaising with business partners and customers, providing and implementing company's guidelines, operating policies and procedures to ensure adherence to standards and best practices in the company. He has more than twenty five (25) years of working experience in quality engineering, project management and business development. Prior to joining AMCSB, he worked for Soarway Enterprise Co., Ltd as a Business Manager.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHIN WOU CHAU
(Director, Amtel Resources Sdn. Bhd. ("ARSB"))

Chin Wou Chau, a Malaysian aged 67, male, was appointed as a Director of ARSB on 11 February 1999.

He graduated with a Bachelor of Science degree in Electrical and Electronic Engineering from Heriot-Watt University, Edinburgh in 1977.

He joined ARSB in April 1983 as a project engineer before assuming his current position in 1999. He is responsible for the company's daily operations including sales, technical support and general administration of the company. In addition, he also liaises with the business partners and customers of the company. He has more than thirty five (35) years of working experience in engineering industry. Prior to joining ARSB, he was a Senior System Engineer for T-Cas Inc.

He does not have any family relationship with any director and/or major shareholder of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

GROUP FINANCIAL HIGHLIGHTS
SUMMARY OF PAST FIVE YEARS

FINANCIAL YEARS ENDED 30 NOVEMBER	2017 RM '000	2016 RM '000	2015 RM '000	2014 RM '000	2013 RM '000
Revenue	33,427	47,417	56,656	31,986	40,449
(Loss)/Profit Before Taxation	(3,202)	1,052	1,160	1,185	1,894
(Loss)/Profit After Taxation	(2,971)	453	810	593	1,290
Total Assets	60,982	67,888	63,712	50,706	62,195
Total Borrowings	1,293	663	402	902	8,517
Shareholders' Equity	42,950	45,902	44,277	43,429	44,805
Net Assets	41,060	44,044	43,903	43,058	44,431
Basic (Loss)/Earnings Per Share (Sen)	(5.90)	0.52	1.66	1.22	2.24
Net Assets Per Share (Sen)	83.32	89.38	89.09	87.38	90.17

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

We are pleased to present, on behalf of the Board of Directors ("Board") of our Company, the Annual Report and the Audited Financial Statements for the financial year ended 30 November 2017 ("FY 2017").

BUSINESS OVERVIEW

Our Group's business comprises Information & Communication Technology ("ICT"), Telecommunications, Infrastructure & Services ("TIS") and Property Development.

In the first two quarters in FY 2017, our Group recorded higher revenue and better financial results predominantly driven by the improved performance in the ICT and TIS business segments. However a sudden slow-down in sales towards the second half of the financial year in both the ICT and TIS segments had adversely affected the financial performance of our Group. As a result, our Group ended FY 2017 with loss after tax of approximately RM2.97 million.

Bank Negara Malaysia's report of a 5.9% GDP growth in 2017 compared with 4.2% expansion in 2016, does not help our ICT segment to avert a slow-down in business in tandem with the overall lower performance in the automotive industry, particularly in the second half of 2017. The ICT segment represents the core of our Group's business.

REVIEW OF FINANCIAL RESULTS AND PERFORMANCE

Our Group's revenue was RM33.43 million representing a drop of RM13.99 million or 29.5% over preceding financial year's RM47.42 million. The decrease was mainly attributable to the Information & Communication Technology segment and Property Development segment. With lower revenue, our Group posted loss after tax for the current financial year of RM2.97 million as compared to profit after tax of RM0.45 million achieved in the preceding financial year. Besides an overall drop in our Group's operational performance, the current year loss is also partially due to a share of associate companies' losses of RM0.53 million, as compared to a share of profit of RM0.23 million previously.

For FY 2017, our Group's net asset value fell to RM41.06 million from RM44.04 million previously. Group net assets per share was 83.32 sen as compared to 89.38 sen registered in the previous financial year.

Our Group's financial position remains positive with healthy cash flows. For FY 2017, our cash reserve comprised cash, short term investments in money market and deposits with banks totaling RM23.99 million, an increase of RM1.91 million as compared to previous year's RM22.08 million. The increase was attributed mainly to the positive cash inflow from operating activities during the financial year. The strong cash reserve provides our Group with the capacity and flexibility to invest in any potential business venture that yields positive returns and provides sustainable growth in the future. Our Group's gearing remains low with total borrowings of RM1.29 million in FY 2017. The Board continues to practice prudence in managing our Group operations and accordingly, we do not foresee any significant change to the Group's capital structure in the near term.

REVIEW OF OPERATIONS

Information & Communication Technology Segment ("ICT")

The ICT segment has been and continues to be the major contributor to our Group's operations, contributing RM22.07 million or 59.7% of the Group's revenue in FY 2017. However compared to RM25.48 million achieved in FY 2016, this revenue showed a drop by 13.4%. As a result of the lower sales, the ICT segment recorded higher loss after tax of RM1.63 million as compared to loss of RM1.00 million in the preceding year.

For the first three quarters of current financial year, the ICT segment posted higher level of sales and improved performance mainly due to profits from sales of some new products, coupled with savings in some direct overheads as a result of realignment of production costs and better trade terms from our suppliers. However, sales dropped towards the end of financial year in tandem with the slowdown in the automotive industry. In addition, loss during the current year was aggravated by the increase in intangible assets amortisation on completed software development during the current year.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS [continued]

REVIEW OF OPERATIONS (continued)

Information & Communication Technology Segment ("ICT") (continued)

We expect the business environment for this segment to remain competitive in the coming financial year. Competition and demand from customers will continue to be matters of concern whilst changes in the automotive industry with the entry of new foreign automotive players may change the playing field. With that in mind, we will continue to enhance our competitive strengths through our localisation efforts and improving our product range and services.

Telecommunications, Infrastructure and Services Segment ("TIS")

TIS segment remains a significant revenue and profit contributor for the Group. For the current financial year, the segment registered revenue of RM12.77 million as compared to RM14.03 million reported in preceding financial year. Current year profit after tax was RM0.96 million as compared to RM1.77 million reported in FY 2016. The overall drop in profit contributions was attributed to the lower revenue and margin attained for the current financial year.

We expect the various ongoing projects in the TIS segment to continue contribute positively to our Group performance in the coming year. This segment will remain focus in securing new civil and fibre optic cable works and contracts from existing and new customers to provide a steady income stream to our Group.

The immediate key risk relating to TIS segment's operations is the low pricing strategies by competitors which are hurting our margins. To remain competitive, the Management team is constantly reviewing, monitoring and managing the project costs. Some of the strategies put in place are managing staff expenses and operating costs, and reviewing contract terms with suppliers to enjoy lower materials prices.

Property Development Segment

For FY 2017, segment revenue was RM0.48 million and net loss was RM0.47 million compared to revenue of RM9.27 million and net profit of RM0.14 million respectively in preceding year 2016. Overall, a lower performance was reported in current financial year due to the termination of sale of one unit residential property and the absence of new sale of property despite that development works for the entire residential project has reached the final stages.

For the coming financial year, this segment will focus mainly on marketing initiatives to promote the sales of unsold residential property units. Our Group regularly reviews opportunities with the view to participate in property development activities that are potentially viable.

Others Segment

Others Segment relates mainly to investment holding. This segment recorded a net loss of RM0.96 million during the current year compared to net loss of RM0.46 million in FY 2016. Higher loss recorded during the current financial year was mainly due to lower income in management fees and the incurrence of professional fees in connection with various corporate exercises undertaken by our Company.

DIVIDEND

No dividend has been paid by our Company for the current financial year. Our Group is taking a conservative approach in managing our Group's cash reserves and in meeting future operational working capital requirements. As such, our Board does not recommend the payment of any dividend for the financial year ended 30 November 2017. The payment of any future dividends will depend on our Company's and Group's profitability, liquidity and cash flow position.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS
[continued]

BUSINESS OUTLOOK AND PROSPECTS

In view of the current economic scenario and the competitive business environment, our Group is expected to further streamline the various resources to improve operational efficiency and effectiveness whilst sharpening our business strategies and strengthening other components in our financial system. Our Group will also be wary of impacts from higher labour costs, foreign currency fluctuations and competitions from other players in similar industries.

Moving forward, our Group will continue to explore business opportunities to enhance our earning base and attain long term growth and sustainability. Our Group has established strong business relationships with our customers. We hope that the trust earned over the years will result in continuous business support. For ICT segment, we will continue to research and develop new and innovative products and services to remain relevant and competitive, delivering better and higher quality product and services. We are confident that revenue will increase in line with the forecasted growth of 2.3% in the automotive sector by Malaysia Automotive Association. The construction sector growth is expected to remain strong in 2018, supported by the Government's generous budget allocation for infrastructure and rural developments. With available manpower and resources at our disposal, our TIS segment is well positioned to take on more new civil infrastructure contracts in the immediate term.

By leveraging on our Group's capabilities and resources, we trust that our Group would be able to progress positively in this challenging business environment and uncertain global economy.

ACKNOWLEDGMENT

On behalf of the Board, we wish to convey our gratitude to all our valued shareholders, customers, suppliers, business partners, bankers, fund managers, consultants and the government and authorities for their continuous support and confidence in our Group.

The Board wishes to thank Mr. Chang Pak Hing, who retired from the Board during the financial year, for his contributions to the Company.

We would also like to extend our sincere appreciation to the Management team and staffs for their hard work, undivided commitment and dedication in carrying out their duties. Lastly, we would like to take this opportunity to thank all fellow Board members for their invaluable advice and contribution.

TUNKU DATO' SERI KAMEL
Chairman

DATO' KOID HUN KIAN
Group Managing Director

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("Board") of the Company acknowledges the importance of establishing and maintaining good corporate governance within the Group and is committed to ensure that the highest possible standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders values and financial performance of the Group.

The Board is pleased to present the following statement, which summarises the manner in which the Group has applied the principles and recommendations set out in the Malaysian Code on Corporate Governance 2012 ("MCCG 2012") and the extent of its compliance throughout the financial year ended 30 November 2017.

The new Malaysian Code on Corporate Governance 2017 ("MCCG 2017") published on 26 April 2017 requires all public listed companies to disclose their state of application of MCCG 2017 principles in annual reports issued for financial year ended on or after 31 December 2017. As such, the Company will commence with such disclosure in its Annual Report 2018 and thereafter.

1. THE BOARD OF DIRECTORS

1.1 The Role and Responsibilities of the Board

The Board has the ultimate responsibility to set strategic direction and policy in relation to the business and affairs of the Company and the Group for the benefit of the shareholders and other stakeholders of the Company. The Board is accountable to shareholders for the performance of the Group.

The Board delegates day-to-day management and operations of the Group to the Management under the leadership of the Group Managing Director, to deliver the strategic direction and goals determined by the Board. The Management may delegate aspects of their authority and powers but remain accountable to the Board for the Group's performance and are required to report regularly to the Board on the progress being made by the Group's key business units and operations. A key function of the Board is to oversee and supervise the management of the business affairs of the Group.

The responsibility for matters material to the Group is in the hands of the Board, with no individual Director having unfettered powers to make decisions. Matters reserved for the Board include discussions on matters of significance, such as change of direction in strategy, changes related to structure and capital, changes in Board members, approval to undertake legal proceedings, approval of material acquisitions and disposal of assets, approval of interim reports and annual financial statements.

The Board assumes, amongst others, the following roles and responsibilities in discharging its obligation:-

(i) Review and adopt strategic plans/direction of the Group where the Management's proposal on Group's strategic plans are tabled to the Board for approval with Management providing updates to the Board from time to time;
(ii) Review and adopt corporate objectives of the Group which includes performance targets and long-term and medium-term goals;
(iii) Oversee the resources and operational conducts of the Group's businesses and determine whether the businesses are being properly managed;
(iv) Decide on whatever steps necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensure that such steps are being undertaken;
(v) Identify principal risks affecting the Group and ensure the implementation and maintenance of appropriate internal control and mitigation measures;
(vi) Succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and that programmes are in place to provide for succession of senior management;

STATEMENT ON CORPORATE GOVERNANCE
[continued]

1. THE BOARD OF DIRECTORS (continued)

1.1 The Role and Responsibilities of the Board (continued)

The Board assumes, amongst others, the following roles and responsibilities in discharging its obligation:- (continued)

(vii) Ensure corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through its Chairman, being the key interface between the Company and its shareholders;
(viii) Review the adequacy and integrity of the Group’s internal control systems which include appropriate sound risk management framework and internal control systems of reporting, and ensure regulatory compliance with applicable laws, regulations, rules, directives and guidelines;
(ix) Ensure that the Company adheres to high standards of ethics and corporate behaviour;
(x) Delegate certain responsibilities to the various Board Committees with clearly defined terms of reference to assist the Board in discharging its responsibilities; and
(xi) Establish and formalise strategies on promoting sustainability. Attention shall be given to environmental, social and governance aspects of business which underpin sustainability.

The Board may from time to time establish Committees as it considers appropriate to assist in carrying out its duties and responsibilities. The Board has established the following Committees which operate under clearly defined terms of reference:-

- Audit Committee
- Remuneration Committee
- Nomination Committee

The Board may also delegate specific functions to ad hoc committees, a Director, employee or other person as and when required. The Committees shall operate under clearly defined terms of reference. The Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their terms of reference. The Chairman of the respective Committees reports and updates the Board on significant issues and concerns discussed and where appropriate, make the necessary recommendations to the Board. The minutes of the respective Committees will be included in the Board papers for Board’s notification.

1.2 Board Composition and Balance

The Board consists of qualified individuals with diverse professional backgrounds and specialisations with vast range of experience in the field of trading and marketing, corporate affairs, finance and management to enable them to discharge their duties and responsibilities effectively. The composition and size of the Board is such that it facilitates the decision making of the Company.

Pursuant to the Articles of Association of the Company, the number of Board members shall not be less than two (2) Directors and more than fifteen (15) Directors.

In accordance with the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. The Board currently has five (5) members comprising the following:-

- One (1) Independent Non-Executive Chairman;
- Two (2) Independent Non-Executive Directors; and
- Two (2) Executive Directors.

The basis for the presence of an independent voice on the Board is to ensure that objectivity in decision-making of the Board is achieved and that no single party can dominate such decision-making in the Company.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

1. THE BOARD OF DIRECTORS (continued)

1.2 Board Composition and Balance (continued)

Although currently the Board does not have a formal policy on boardroom diversity, the Board is committed to ensure the directors of the Company possess the appropriate skills, experience and knowledge required, in the context of the needs of the Group. In addition, the Directors of the Company must have ability to devote sufficient time and attention to the Company.

The current composition of the Board is diverse in terms of skills, experiences and gender which provides the Board the range of knowledge and expertise essential to govern the Company, including understanding its business operations and the challenges it faces. The Group Managing Director brings an additional perspective to the Board through an in-depth understanding and knowledge of the Group's business, which are invaluable to the Board.

The Board is supportive of the gender boardroom diversity as recommended by MCCG 2012 as the Board currently has one female member. Female representation will be considered when a vacancy arises and/or suitable candidates are identified. However, the appointment of a new Board member will not be guided solely by gender but also the skills-set, experience and knowledge of the candidate.

The Board, with the assistance of the Nomination Committee, will review the Board composition to ensure that it includes the necessary mix of relevant skills and experience required to perform its roles.

1.3 Separation of Positions of the Chairman and Group Managing Director

There is a clear division of the roles and responsibilities between the Company's Chairman and Group Managing Director to ensure a balance of control, power and authority. The Board is led by YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin, the Independent Non-Executive Chairman and the executive management is led by Dato' Koid Hun Kian, the Group Managing Director.

The Chairman is responsible for ensuring Board effectiveness and conduct of the Board. The Group Managing Director assumes the overall responsibility for the Group's operational activities and effectiveness and implements the Board's policies, strategies and decisions. The Group Managing Director leads the Management team in carrying out the corporate strategies and objectives of the Group. The Group Managing Director is responsible to the Board for the day-to-day management of the Company and the Group. The role of the Chairman and the Group Managing Director are clearly defined in the Board Charter.

1.4 Board Meeting and Time Commitment

The Board meets quarterly however additional meetings are convened as and when required, when warranted by situations that require deliberation on urgent proposals or matters that need the immediate approval or decision of the Board. Where appropriate, decisions are also taken by way of Directors' Circular Resolutions.

The agenda of the meeting and Board papers will be collated and circulated to the Directors by the Company Secretary prior to the meeting and the Company Secretary will supervise the filing and storage of all Board papers.

All proceedings of the Board meetings are recorded by the Company Secretary, which include matters discussed, the Board's deliberations, suggestions and conclusions reached. The minutes are signed by the Chairman as endorsements of records of the meetings.

STATEMENT ON CORPORATE GOVERNANCE [continued]

1. THE BOARD OF DIRECTORS (continued)

1.4 Board Meeting and Time Commitment (continued)

Each Director has devoted his/her time sufficiently in carrying out his/her responsibilities. To date, the Directors have complied with MMLR of Bursa Securities of not holding more than five (5) directorships in public listed companies. The Board is satisfied that the current number of directorships held by the Board members does not impair their ability or judgement in discharging their roles and responsibilities.

In addition, the Board is also satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as affirmed by the attendance record of the Directors at Board and relevant Board Committee meetings.

During the financial year, six (6) Board meetings were held and the attendance of the Directors who held office during the financial year ended 30 November 2017 is set out below:-

Name of Directors	Attendance of meeting
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	6/6 (100%)
Dato' Koid Hun Kian	6/6 (100%)
Mr. Siow Hock Lee	5/6 (83.3%)
Ms. Tan Woon Huei	6/6 (100%)
Ir. Chew Yook Boo (appointed on 8 February 2017 and there was 1 Board meeting held before his appointment)	5/5 (100%)
Mr. Chang Pak Hing (retired on 17 May 2017 and there were 3 Board meetings held after his retirement)	2/3 (66.7%)

The Directors may be invited to become directors of other companies and the Directors are therefore at liberty to accept other Board appointments so long as such appointments are not in conflict with the business of the Group and do not adversely affect the Directors' performance as a member of the Board.

In maintaining and monitoring the limitation on directorship as required by the MMLR of Bursa Securities, the Directors upon appointment, and from time to time during their tenure, shall notify the Company Secretary of their directorship in other companies for disclosure to the Board at Board meetings.

1.5 Directors' Training

The Directors are also encouraged to attend training/courses/seminars on a continuous basis to keep abreast with current developments in laws, regulations and business practices in order to aid the Directors in discharging their duties. They are also kept informed of various development programme by the Company Secretaries regularly.

The training needs of the Directors will be reviewed by the Nomination Committee to ensure that they are acquainted with the latest development and changing environment within which the Company operates.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

1. THE BOARD OF DIRECTORS (continued)

1.5 Directors' Training (continued)

All Directors have completed the Mandatory Accreditation Programme in accordance with MMLR of Bursa Securities. In addition, the Directors after assessing their own training needs, had attended the following training/seminar/forum during the financial year:-

Director	Seminar/Training/Forum
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	• In-house training on Companies Act 2016
Dato' Koid Hun Kian	• In-house training on Companies Act 2016
Mr. Siow Hock Lee	• In-house training on Companies Act 2016 • Advocacy Session on Corporate Disclosure for Directors and Principal Officers of Listed Issuers
Ms. Tan Woon Huei	• In-house training on Companies Act 2016 • Corporate Governance Breakfast Series for Directors: "Leading in a Volatile, Uncertain, Complex, Ambiguous (VUCA) World
Ir. Chew Yook Boo	• In-house training on Companies Act 2016 • Board of Engineers Malaysia 2017 Roadshow

1.6 Code of Conduct and Ethics

The Board in discharging its function has observed the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia ("CCM") which can be viewed from the CCM's website at www.ssm.com.my.

The Board has also adopted a Code of Conduct and Ethics to govern the conduct of its employees. The provisions in Code of Conduct and Ethics include personal benefits, compliance with laws and regulations, conflict of interest, dealings with suppliers, and confidentiality.

To strengthen corporate governance practices across the Group, a whistle blowing policy was established to provide employees with an accessible avenue to report matter of serious concern and/or improper conduct that may affect the professional and compliant operation of the Group's businesses. The policy sets out and identifies the appropriate communication and feedback channels which facilitate whistleblowing.

The Code of Conduct and Ethics is available at the Company's website at www.amtel.com.my.

1.7 Strategies Promoting Sustainability

The Board is accountable to shareholders and other stakeholders for the proper corporate governance and performance of the Group and is committed to strengthen the Company's sustainability and organisational effectiveness. The Board is committed to operate all aspects of its business in accordance with environment, social and economic responsibility. The Group's activities on corporate social responsibilities for the financial year under review are disclosed on pages 29 and 30 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE [continued]

1. THE BOARD OF DIRECTORS (continued)

1.8 Access to Information and Independent Advice

The Board shall be supplied with appropriate and timely information to enable it to discharge its duties. The Board papers will be distributed to all Directors prior to the Board meetings and sufficient time are given to enable Directors to evaluate the matters to be discussed in order to discharge their duties effectively and efficiently.

The Directors are free to seek any further explanation and information they consider necessary to facilitate informed decision-making. Board reports and meeting papers are prepared and presented by the Management in a concise format that provides adequate facts and analysis pertinent to each proposal or matter that arises.

Senior management officer may be invited to attend Board meetings when necessary, to furnish explanation and comments on the relevant agenda item(s) tabled at the Board meetings or to provide clarification on issues that may be raised by the Board or any Director.

All Directors, whether as a full board or in their individual capacity have unrestricted access to the information, advice and services of the Company Secretaries and the senior management team in the Group in carrying out their duties.

Where necessary the Directors may obtain independent professional advice in the furtherance of their duties, at the Company's expense if circumstances necessitate it. Prior to incurring such professional fees, the Director shall refer to the Chairman and/or the Group Managing Director on the scope, nature and fees of the professional advice to be sought.

1.9 Company Secretaries

The Board appoints the Company Secretaries who play advisory roles as a central source of information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The specific responsibilities of the Company Secretaries include the following:-

(i) Ensure compliance of listing and related statutory obligations;
(ii) Attend Board, Committees and general meetings, and ensure the proper recording of minutes;
(iii) Ensure proper upkeep of statutory registers and records;
(iv) Assist in preparation for and conduct of meetings; and
(v) Continuously update the Board on changes to MMLR of Bursa Securities, and other related legislations and regulations.

The appointment and removal of the Company Secretaries is a matter for the Board to decide as a whole.

1.10 Board Charter

The Board has adopted a Board Charter to provide a clear statement on the roles and responsibilities of the Board and those delegated to the Management and to outline the core principles of corporate governance which the Group subscribes to and serves as a source of reference and primary induction literature providing insights to Board members and senior management.

In addition, it will guide the Board in the assessment of its own performance and of its individual Directors. The Board Charter is available for reference on the Company's corporate website at www.amtel.com.my.

The Board Charter will be reviewed by the Board from time to time to ensure its relevance in assisting the Board to discharge its duties with the changes in laws and regulations and to remain consistent with the Board's objectives and responsibilities.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

2. STRENGTHEN COMPOSITION

2.1 Nomination Committee

The Nomination Committee is primarily empowered by its terms of reference to perform the following:-

- Consider and recommend to the Board, candidates for directorship, proposed by the Group Managing Director or any director or shareholder, or outsourced independent service providers, taking into consideration the candidates' skills, knowledge, experience, age, cultural background and gender;
- Prior to any appointment by the Board, assess the balance of the mix of skills, experience and diversity of the Board;
- In identifying suitable candidates, the Nomination Committee may use the services of external advisors to facilitate the search;
- Assess the effectiveness of the Board as a whole and the Committees of the Board and the mix of skills, experience and competencies of each individual Director;
- Ensure that all Directors undergo appropriate induction programs and receive appropriate training;
- Assist the Board in the review of the independence of the Independent Non-Executive Directors; and
- Recommend to the Board, candidates for re-election of Directors and retiring Directors who are willing to be re-elected under the annual re-election provisions or retirement.

The Nomination Committee members shall be appointed by the Board and comprises exclusively of Non-Executive Directors, all of whom are independent. Currently, the Nomination Committee comprises the following Directors:-

(i) Ir. Chew Yook Boo - Chairman/Independent Non-Executive Director (Appointed as Chairman of Nomination Committee with effect from 17 May 2017);
(ii) YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin - Member/Independent Non-Executive Chairman; and
(iii) Mr. Siow Hock Lee - Member/Independent Non-Executive Director.

The Nomination Committee held four (4) meetings during the financial year ended 30 November 2017 and the Nomination Committee had carried out its duties in accordance with its Terms of Reference. These include:-

- reviewed and assessed the effectiveness of the Board as a whole and the Audit Committee;
- reviewed and assessed the mix of skills, experience and competencies of each individual Director;
- reviewed and assessed the independence of its Independent Non-Executive Directors based on criteria set out in MMLR of Bursa Securities;
- reviewed and assessed the Independent Non-Executive Directors who have served a tenure of more than twelve (12) years in that capacity in the Company and recommended to the Board to seek shareholders' approval for the retention of the said Independent Non-Executive Directors at the forthcoming Annual General Meeting ("AGM"); and
- reviewed and recommended to the Board for approval, the re-election of directors at the forthcoming AGM.

Details of the Terms of Reference for Nomination Committee are available for reference on the Company's corporate website at www.amtel.com.my.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

2. STRENGTHEN COMPOSITION (continued)

2.2 Appointments and Re-election

The Nomination Committee is responsible for making recommendations to the Board for the appointment of new director(s). All nomination to the Board shall first be considered by the Nomination Committee, taking into consideration inter-alia the current and future needs of the Group and the credential of the potential Director.

The procedures for appointment of new Director(s) comprise among others, the following steps:-

(i) Identification of candidate(s);
(ii) Assessing the suitability of the proposed candidate(s);
(iii) Final deliberation by Nomination Committee; and
(iv) Recommendation to the Board.

In assessing the suitability of the proposed candidate(s), the Nomination Committee shall take into consideration the following criteria:-

(i) Size, composition, mix of skills, experience, competencies and other qualities of the existing Board;
(ii) The candidate's skills, knowledge, expertise and experience, competency and capability, professionalism, and personal integrity to effectively discharge his/her role as a Director;
(iii) Directorships of not more than five (5) public listed companies (as prescribed under Paragraph 15.06 of the MMLR of Bursa Securities) to ensure the proposed candidate(s) has sufficient time to fulfil his or her roles and responsibilities effectively; and
(iv) In the case of a candidate for the position of Independent Director, the independence as defined in the MMLR of Bursa Securities.

The Company's Articles of Association provides that at least one-third (1/3) of the Directors are subject to retirement by rotation at each AGM and that all Directors shall submit themselves for re-election at least once in every three (3) years, and are eligible to offer themselves for re-election. All newly appointed Directors will be subject to retirement at the next AGM and is eligible for re-election.

The names of Directors seeking for re-election at the forthcoming AGM are disclosed in the Notice of AGM in this Annual Report.

2.3 Directors' Assessment/Board Evaluation

The Nomination Committee compiles and conducts on an annual basis the following evaluation:-

- The effectiveness of each Director's ability to contribute to the effectiveness of the Board and the relevant Board Committees;
- The effectiveness of the Board as a whole;
- Independence of the Independent Directors; and
- The Audit Committee members' evaluation.

The assessment criteria includes the mix of skills, size, current composition, experiences, competencies and other qualities required to meet the needs of the Group and to comply with the provisions of the MMLR of Bursa Securities.

All assessments and evaluations carried out by the Nomination Committee are properly documented. The summaries of the assessments prepared by the Company Secretary are tabled at the Nomination Committee meeting for the Nomination Committee's assessment and evaluation.

The conclusion of the Nomination Committee's assessment will be minuted and its minutes are included in the Board papers for Board's notification.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

2. STRENGTHEN COMPOSITION (continued)

2.4 Assessment of Independence

The Independent Directors provide independent judgment, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board.

The Board shall assess the independence of the Independent Directors prior to their appointment and annually thereafter or when any new interest or relationship develops in light of interests disclosed to the Board. During the financial year, the Board, through the Nomination Committee, assessed the independence of its Independent Non-Executive Directors based on criteria set out in the MMLR of Bursa Securities.

2.5 Tenure of Independent Directors

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years in accordance with the MCCG 2012. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-Independent Director. In the event that the Director is to remain as Independent Director, the Board shall first justify and obtain shareholders' approval.

In compliance with the guidelines issued under the MCCG 2012, the Nomination Committee has reviewed and assessed the Independent Non-Executive Directors who have served a tenure of more than nine (9) years each in that capacity in the Company. Both YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin and Mr. Siow Hock Lee who were appointed as Independent Non-Executive Directors on 31 July 1997 and 9 November 1996 respectively have exercised their objective and independent judgment on all board deliberations and have not compromised their long term relationship with other board members.

Furthermore, the long serving Independent Directors could provide the Board valuable and insightful advice as they have thorough understanding of the Group's businesses.

The Nomination Committee has recommended the Board to seek shareholders' approval for both YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin and Mr. Siow Hock Lee to be retained and re-appointed as Independent Non-Executive Directors of the Company at the forthcoming AGM.

The Company will be adopting two-tier voting process to seek shareholders' approval for the retention of both YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin and Mr. Siow Hock Lee as Independent Non-Executive Directors of the Company at the forthcoming AGM pursuant to Practice 4.2 of the MCCG 2017 as the effective date for the adoption of two-tier voting process is for resolutions to be tabled at general meetings after 1 January 2018.

2.6 Remuneration Policies and Procedures

The Remuneration Committee plays an essential role in overseeing the quality of the remuneration for Directors by ensuring the remuneration decisions remunerate the Directors fairly and responsibly, and that it reflects the commitment of the Director concerned.

STATEMENT ON CORPORATE GOVERNANCE [continued]

2. STRENGTHEN COMPOSITION (continued)

2.6 Remuneration Policies and Procedures (continued)

The members of Remuneration Committee shall be appointed by the Board and shall comprise a majority of Non-Executive Directors. Currently, the Remuneration Committee comprises the following Directors:-

(i) Mr. Siow Hock Lee (Chairman/Independent Non-Executive Director);
(ii) YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin (Member/Independent Non-Executive Chairman); and
(iii) Ir. Chew Yook Boo (Member/Independent Non-Executive Director) (Appointed as member of Remuneration Committee with effect from 13 October 2017).

The Remuneration Committee is primarily empowered by its terms of reference to perform the following:-

- To recommend to the Board the remuneration package for the Executive Directors, Group Managing Director and Non-Executive Directors in all its forms, drawing from outside advice if necessary; and
- To carry out any other responsibilities and functions as may be delegated or defined by the Board from time to time.

The Remuneration Committee held one (1) meeting during the financial year ended 30 November 2017.

The remuneration policy for Executive Directors is based on the executive functions and responsibilities as well as the contributions and performance of each member to the business.

In the case of Non-Executive Directors, they receive Directors' fees not linked to performance of the Company but in consideration of their experience, qualification and level of responsibilities.

The Board, as a whole, determines the remuneration of each Director and the Directors do not participate in decisions regarding their own remuneration packages. The annual fees payable to the Directors are subject to the shareholders' approval at the AGM.

The details of the aggregate remuneration of the Directors for the financial year ended 30 November 2017 are as follows:-

	Company		Group	
Category	Executive Directors (RM'000)	Non-Executive Directors (RM'000)	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Fees	12	166	12	202
Salaries and bonuses	375	–	621	–
Other Emoluments	46	–	76	–
Benefits-in-kind	19	–	35	–
Total	452	166	744	202

STATEMENT ON CORPORATE GOVERNANCE [continued]

2. STRENGTHEN COMPOSITION (continued)

2.6 Remuneration Policies and Procedures (continued)

The number of Directors whose fees and remuneration for the financial year ended 30 November 2017 falls within the following bands are as follows:-

	Company		Group	
	Number of Directors			
Range of Remuneration	Executive	Non-Executive	Executive	Non-Executive
Below RM50,000	1	3	–	3
RM50,001 to RM100,000	–	1	–	1
RM200,001 to RM250,000	–	–	–	–
RM250,001 to RM300,000	–	–	1	–
RM400,001 to RM450,000	1	–	1	–
Total	2	4	2	4

None of the Directors in the current year remuneration falls within the range of RM100,001 to RM200,000 and RM300,001 to RM400,000.

3. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

3.1 The General Meetings

The Company dispatches its notice of AGM to shareholders more than 21 days before the AGM, in advance of the notice period as required under the Companies Act 2016 and MMLR of Bursa Securities. The additional time given to the shareholders allow them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

The Company has also removed the limit on the number of proxies to be appointed by an exempt authorised nominee with shares in the Company for Omnibus account to allow greater participation of beneficial owners of shares at general meetings of the Company. The Articles of Association of the Company further entitles a member to vote in person, by corporate representative, by proxy or by attorney. Essentially, a corporate representative, proxy or attorney shall be entitled to vote as if they were a member of the Company.

3.2 Poll Voting

Under Paragraph 8.29A(1) of MMLR of Bursa Securities, the Company ensures that any resolution set out in the notice of any general meeting or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll.

For this purpose, the share registrar will be appointed as the Poll Administrator and an independent scrutineer will be appointed to validate the vote cast at the general meeting. The poll results of the general meeting will be announced to Bursa Securities on the same day for the benefit of all shareholders.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

3. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (continued)

3.3 Relationship and Communications with Shareholders and Investors

The Company is committed to establishing a direct line of communication with shareholders and investors through timely dissemination of information on the Group's performance and operations via distribution of annual reports and relevant circulars, release of quarterly financial results, press releases and announcements.

The AGMs and any other meetings of the shareholders represent the principal forum for dialogue and interaction with all shareholders and investors. The shareholders are given opportunity and time to participate in the open question and answer session with regard to the agenda items of the general meeting or other concerns over the Group's business as a whole. The Chairman, Group Managing Director, Audit Committee members, senior management team and external auditors are available during the general meeting to respond to the shareholders' queries.

To maintain a high level of transparency and to effectively address any issues or concerns, the Group has a dedicated electronic email, ahb@amtel.com.my, to which stakeholders can direct their queries or concerns.

4. CORPORATE DISCLOSURE POLICY AND PROCEDURES

The Company is committed to upholding the highest standards of transparency, accountability and integrity in the disclosure of all material information on the Company to the investing public in an accurate, clear and timely manner in accordance with the corporate disclosure requirements as set out in the MMLR of Bursa Securities and the guidance as set out in the Corporate Disclosure Guide issued by Bursa Securities.

The Board has ensured that relevant disclosure requirements required by Bursa Securities are complied with. To augment the process of disclosure, the Company has established its own website at www.amtel.com.my which allows shareholders and the public access to the Company's announcements, corporate information, financial information and annual reports.

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 Compliance with Applicable Financial Reporting Standards

The Company aims to present a clear and fair assessment of the Company's financial position and future prospects in respect of all quarterly results, annual financial statements and announcements issued by the Company within the stipulated timeframe.

The Board is assisted by the Audit Committee to scrutinise information for disclosure to ensure its timeliness, accuracy and adequacy. The Board ensures that the financial statements are prepared so as to give a true and fair view of the current financial status of the Company in accordance with the regulatory requirements and applicable approved accounting standards.

A Directors' Responsibility Statement in relation to the financial statements is set out on page 39 of this Annual Report.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING (continued)

5.2 Relationship with the Auditors

The Board through the Audit Committee has established a formal and transparent relationship with the Group's auditors, both internal and external auditors in seeking their professional advice. From time to time, the auditors highlighted to the Audit Committee and the Board on matters that require the Board's attention.

The Audit Committee meets the external auditors at least once a year without the presence of the Management to exchange independent views on matters which require the Audit Committee's attention. The Audit Committee also meets additionally with the external auditors whenever it deems necessary. The service provided by the external auditors includes statutory audits and non-audit services. The terms of engagement and fees for the external and internal auditors are reviewed by the Audit Committee and subsequently recommended to the Board for approval.

The Audit Committee assesses the effectiveness of both internal and external audit as well as the independence and objectivity of the external auditors. In its assessment, the Audit Committee considered several factors, which included adequacy of experience and resources of the firm.

Written assurance shall be obtained from the External Auditors annually, confirming their independence in accordance with the By-Laws of the Malaysian Institute of Accountants. The External Auditors provide such declaration in their annual audit plan presented to the Audit Committee prior to the commencement of audit for a particular financial year.

Based on the results of the assessment for the financial year under review, the Board/Audit Committee are satisfied with the quality of services, adequacy of resources provided, independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions.

A summary of work and the role of the Audit Committee in relation to both Internal and External Auditors are described in the Audit Committee Report as set out on pages 33 and 34 of this Annual Report.

6. RECOGNISE AND MANAGE RISKS

6.1 Sound Framework to Manage Risk

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. Risk management is embedded in the Group's operations and management systems. The Board with the assistance of the outsourced internal audit function has established processes for identifying, evaluating and managing the significant risks affecting the core business of the Group.

The Statement on Risk Management and Internal Control as set out on pages 36 to 38 of this Annual Report provides an overview of the state of risk management activities within the Group.

STATEMENT ON CORPORATE GOVERNANCE
[continued]

6. RECOGNISE AND MANAGE RISKS (continued)

6.2 Internal Audit Function

The Company outsourced its internal audit function to an independent external firm of consultants. The Audit Committee reviews and approves the internal audit plan, which is ascertained based on the key risk areas and core business operations of the Group. Further details of the activities of the internal audit function and the state of internal controls within the Group are set out in the Audit Committee Report on pages 34 to 35 of this Annual Report.

Compliance Statement

The Board has deliberated and reviewed this Statement on Corporate Governance. The Board considers that the Statement on Corporate Governance provides the necessary information to enable shareholders to evaluate how the MCCG 2012 has been applied.

This Statement was approved by the Board of Directors on 19 March 2018.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT

The Board acknowledges the importance of CSR and is committed to create a good balance between value creation and corporate responsibility. The Management is encouraged to inculcate a culture of CSR to ensure sustainable value and our initiatives cover the community, the workplace (which includes safety & health and staff welfare & skill development), the environment and the marketplace. The key aspects of these CSR are summarised as follows:-

(a) The Community

As a caring corporate citizen, the Group continues its social roles to support the community by making financial contributions to charitable and welfare organisations to raise funds for the under-privileged.

The Group also believe in the importance of providing opportunities especially to the younger generation, for the betterment of our society. In line with this, the Group continuously offers internship programme and recruits fresh graduates from local varsities majoring in surveying science, geoinformatics and geomatics from University Teknologi Mara, University Teknologi Malaysia, University Kebangsaan Malaysia and University of Malaya for various posts in our ICT business segment.

(b) The Workplace

(i) Safety and Health

The Group places emphasis on safety and health aspect of employees by ensuring a safe working environment is created at various work sites. Under the requirement of International Standard Organization ("ISO"), enforcement is carried out within the Group to ensure continuous adherence to safety measures are observed at all times to prevent injuries at workplace. Building safety matters are also reviewed as part of the Enterprise Risk Management exercise covered by the Group's Internal Audit Function.

Selected staffs from our Telecommunication, Infrastructure & Services business segment also attends the National Institute of Occupational Safety and Health (NIOSH) training as part of customer's compliance requirements.

(ii) Staff Welfare and Skill Development

Regular sports activities are organised for employees to promote a balanced lifestyle. To foster teamwork and promote closer working relationships among the multi-racial employees, various monthly departmental activities and birthday celebrations are organised to create a caring environment for our employees. The Group also organises annual get-together lunch party and host yearly festive celebrations, including "buka puasa" with all the staffs.

The Group acknowledges that people are our greatest assets and continue to focus on human capital development. The Group sponsored the participation of our skilled employees and managerial staff in local and overseas seminars and workshops to enhance their technical competency and to promote skill development. The Group also provides various in-house job-related training to employees focusing mainly on productivity and respective fields of expertise to strengthen their skills set and knowledge in areas related to the Group's operations. Selected Head of Departments and Strategic Business Unit Head from the ICT segment attend yearly exhibitions held overseas to keep up with the latest innovations and trends in technologies.

CORPORATE SOCIAL RESPONSIBILITY ("CSR") STATEMENT
[continued]

(c) Environment Health

The Group values the importance of preserving the environment and resources conservation. The Group ensures compliance with all environmental laws and regulations. We continue to be committed on recycling to reduce wastages such as making use of recycle papers for photocopying and printing when applicable and promoting good practices on energy-savings in our daily operations. We also continuously encourage our staffs to be environmental friendly and keep the buildings smoke-free except for selected dedicated areas within the Company.

(d) Market Place

The Group recognises the importance of upholding CSR with various stakeholders and believes that good practices throughout the value-chain create a healthy marketplace. As such, we continuously cultivate a transparent and open relationship with all our customers, vendors, bankers, government agencies and associates. We believe in continuous innovation in creating high quality products and services, in line with the industry's localisation efforts and in compliance with prevailing local requirements and quality standards.

ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

There was no proceed raised from corporate proposal during the financial year.

(b) Audit and Non-Audit Fees

The fees incurred for services rendered to the Company and its subsidiaries by the Company's external auditors, or a firm affiliated to the external auditors for the financial year ended 30 November 2017 were as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fees	148	55
Non-Audit Fees	6	6

(c) Material Contracts

There was no material contract entered into by the Company and/or its subsidiaries involving the interest of Directors and/or major shareholders that are still subsisting at the end of the financial year or since the end of the previous financial year.

(d) Recurrent Related Party Transactions

Details of recurrent related party transactions are disclosed in Note 34(b) to the audited financial statements set out on page 106 of this Annual Report, of which none of the aggregate value of the transactions conducted during the financial year exceeds the applicable prescribed threshold under paragraph 10.09 (1) (b) of MMLR of Bursa Securities.

AUDIT COMMITTEE REPORT

The Board of Directors of Amtel Holdings Berhad is pleased to present the report on the Audit Committee of the Board for the financial year ended 30 November 2017.

COMPOSITION AND ATTENDANCE

The Audit Committee presently comprises the following members: -

Ir. Chew Yook Boo
Chairman/Independent Non-Executive Director
(Appointed as member of Audit Committee with effect from 17 May 2017)
(Redesignated as Chairman of Audit Committee with effect from 13 October 2017)

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin
Member/Independent Non-Executive Chairman
(Redesignated as member of Audit Committee with effect from 13 October 2017)

Mr. Siow Hock Lee
Member/Independent Non-Executive Director*

*member of Malaysian Institute of Accountants

The Audit Committee was established on 1 August 1997 and the present Audit Committee consists entirely of Independent Non-Executive Directors. The Company has complied with Paragraphs 15.09 and 15.10 of MMLR of Bursa Securities, which require all the Audit Committee members to be Non-Executive Directors, with a majority of them being Independent Directors and the Chairman of the Audit Committee is an Independent Non-Executive Director. In addition, one of the members of the Audit Committee is a member of the Malaysian Institute of Accountants.

In the event of any vacancy of the Audit Committee resulting in the non-compliance with Paragraphs 15.09(1) and 15.10 of the MMLR of Bursa Securities, the Company shall fill the vacancy within three (3) months pursuant to Paragraph 15.19 of MMLR of Bursa Securities.

The Audit Committee held five (5) meetings during the financial year ended 30 November 2017 and the attendance of each member of the Audit Committee is as follows:-

Name	Attendance of meetings
Ir. Chew Yook Boo	2/2
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	5/5
Mr. Siow Hock Lee	5/5

TERMS OF REFERENCE

The Terms of Reference of the Audit Committee which outline the membership, proceedings of meeting, authority and functions of Audit Committee is accessible via the Company's website at www.amtel.com.my.

AUDIT COMMITTEE REPORT [continued]

SUMMARY OF WORK OF AUDIT COMMITTEE

During the year under review, the Audit Committee carried out its duties in accordance with its Terms of Reference. The work of the Audit Committee include the following:-

(1) Financial Reporting

(a) Reviewed the unaudited quarterly financial results of the Group including draft announcements pertaining thereto before recommending the same for the Board's approval and release to Bursa Securities and Securities Commission of Malaysia.

The above review is to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and are in compliance with the Malaysian Financial Reporting Standard, International Accounting Standards and applicable disclosure provisions of the Listing Requirements of Bursa Securities.

(b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and Group for the financial year ended 30 November 2017 and to ensure it presented a true and fair view of the Company's financial position and performance for the year and compliance with regulatory requirements.

(2) Internal Audit

(a) Reviewed and discussed with the internal auditors on their annual internal audit plan and audit fees to ensure adequate scope and comprehensive coverage over the activities of the Group.

(b) Reviewed and discussed with the internal auditors on the audit findings and recommendations of the audit findings to improve any weaknesses of the Group's internal control system and ensuring the risk issues were adequately addressed.

(c) Evaluated the performance of the internal audit function via a set of questionnaires covering the effectiveness, adequacy and suitability of the internal auditors.

(3) External Audit

(a) Reviewed and discussed with external auditors the audit planning memorandum covering the audit objectives and plan, audit approach, key audit areas and relevant technical pronouncements and accounting standards.

(b) Evaluated the performance and assessed the suitability and independence of the external auditors during the year via a set of questionnaires covering the calibre of the external audit firm; quality of processes/performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the Audit Committee.

The Audit Committee received from the external auditors written assurance confirming their independence in accordance with the By-Laws of the Malaysian Institute of Accountants.

(c) Recommended to the Board the re-appointment of external auditors and their remuneration.

(d) Held a private session with external auditors without the presence of Executive Directors and Management to exchange independent views on matters which require the Audit Committee's attention.

AUDIT COMMITTEE REPORT
[continued]

SUMMARY OF WORK OF AUDIT COMMITTEE (continued)

(4) Related Party Transactions

(a) Reviewed and discussed on a quarterly basis the related party transaction(s) and recurrent related party transaction(s) entered into by the Group and any conflict of interest situation that may arise within the Group.

The above is to ensure that the transactions are fair and reasonable to, and are not detriment of, the minority shareholders.

(5) Other Matters

(a) Reviewed the Statement on Risk Management and Internal Control which provided an overview of internal controls within the Group prior to the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the external auditors is set out on pages 36 to 38 of this Annual Report.

(b) Reviewed the Audit Committee Report and recommended the same for Board's approval for inclusion in the Annual Report.

INTERNAL AUDIT FUNCTION

The internal audit function is set up with the objectives to assist the Board to conduct adequate internal control reviews and to ensure that the Group has adequately addressed the corporate governance, risk management and control requirements. The internal audit functions are summarised as follows:-

- To ensure that the Management of the Group maintains a sound system of internal controls to safeguard the Group's assets and the investment of shareholders;

- To review the adequacy and effectiveness of the Group's system of risk management and internal control;

- To identify principal risks and to ensure the implementation of appropriate internal control and mitigation measures;

- To perform regular review over the operational processes and to provide an independent assurance on the adequacy and efficiency of financial and operating controls of the Group;

- To ensure the reliability and integrity of the financial and operational information and other management data that the reporting system is in place;

- To review the internal audit program and results of the internal audit process and where necessary, ensure that appropriate action is taken on recommendations of the internal audit function;

- To assist the Board and Management to instill and sustain the internal control system in a disciplined and systematic manner; and

- To assist the employees to better understand, manage and communicate risk and related controls in an integrated approach.

AUDIT COMMITTEE REPORT
[continued]

INTERNAL AUDIT FUNCTION (continued)

The internal auditor reports directly to the Audit Committee and undertakes internal audit function in a systematic and cyclic basis and on selected business processes. The internal auditor adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major business segments of the Group. The internal audit plan is assessed annually by the Audit Committee and the Board to ensure the plan remains relevant and aligned with the Group's key business risks and business strategies which may change in response to the dynamics of its operating environment. The internal auditor tabled the results of their review to the Audit Committee during its quarterly meeting and as and when necessary. The results of internal auditors review containing audit findings, management responses and recommendations were presented to the Audit Committee for discussion and deliberation. Follow up reviews on previous audit issues were carried out in order to ensure that the recommendations made by the internal auditors on areas of improvement identified are adopted or necessary corrective actions have been or are being taken by the Management.

The Group outsourced its internal audit function to a professional service firm, PKM Partners (M) Sdn. Bhd. ("PKM") to assists the Board and Audit Committee in discharging their responsibilities by providing an independent and objective advisory service.

PKM's Internal Control Review methodology is based upon the international recognised framework i.e. Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), as recommended by Bursa Securities. This will also include Information System Reviews in accordance with Bursa Securities' Information Technology ("IT") Security Standards and Procedures. PKM will also benchmark IT Processes against international standards under Control Objectives for Information and Related Technology in ensuring adequacy of controls and security.

During the financial year under review, PKM carried out assessment and review on the Group's risk management and internal control – covering the ICT operational risks and the establishment of the Enterprise Risk Management ("ERM") program by setting up an ERM Committee ("ERMC") and assessment and identification of the Group's key risk profiles, identify potential risk areas and mitigation measures to manage those high risks areas identified and present the progress report to the Audit Committee and Board.

Based on their review conducted, none of the weaknesses noted have resulted in material losses, contingencies or uncertainties to the Group. The total fees paid to the internal auditors in respect of the Group's internal audit functions for the financial year ended 30 November 2017 was RM43,197.

The associated companies have not been dealt with as part of the Group for the purpose of this Statement. The Group's system of internal controls does not apply to associated companies where the Group does not have any direct control over their operations. However, the Group's interest is served through representation on the boards of the respective associated companies and the Board meets regularly to discuss and review the financial performance of these companies when necessary. The financial performance of these associated companies is provided regularly to the Management and Board via the Group's monthly financial reporting framework with the objective of safeguarding the investment of the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Group's Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30 November 2017, which is prepared in accordance with paragraph 15.26 (b) of the MMLR of Bursa Securities and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

THE BOARD'S RESPONSIBILITIES

The Board recognises its overall responsibility in establishing and maintaining a sound risk management and internal control system as well as to review the adequacy and effectiveness of these systems.

In view of the limitations that are inherent in any system of risk management and internal control, it is important to note that these systems are designed to manage rather than to eliminate all risks that may impede the achievement of the Group's business objectives and goals. Hence, such systems can only provide a reasonable and not absolute assurance against material misstatement of management and financial information, financial losses or fraud.

THE RISK MANAGEMENT FRAMEWORK

The Group's risk management framework is outlined in its Enterprise Risk Management Policy ("ERM Policy"). It is the policy of the Group to achieve best practices in the management of all significant risks that threatens to adversely impact the Group, which includes its business strategies, operation & key functional areas, employees, assets and its customers. The Group adopts the COSO ERM methodology to cultivate and promote the risk ownership and continuous monitoring of key risks identified.

During the financial year, the Group had formalised an ERMC which is headed by the Group General Manager. The team comprises of Strategic Business Unit ("SBU") heads together with key management and is assisted by the internal auditors to determine and communicate policy, objectives, procedures and guidelines. The Committee also directs and monitor the implementation of ERM practices and performance throughout the Group. The ERMC had also presented its Enterprise Risk Management Policy Statement and Objectives which was tabled and approved by the Board.

The ERM was established with the following objectives:-

- To ensure the ERM is adequate, adopted and practiced throughout the Group;
- To ensure ERM framework is clearly communicated to all levels of employees and to promote a culture of participation in the risk management process;
- To protect the Group from significant adverse impact arising from incidents, to reduce its exposure, mitigate and control these losses;
- To ensure that the Group fulfills its mission, perform its key functions and meet its business objectives; and
- To ensure that Group adopts the COSO's principles and methodologies to determine the risk appetite.

ERM is an on-going process which involves the identifying, assessing and responding to risks, to achieve the Group's objectives. The ERM is in place during the year under review and up to the date of approval of this Statement for the purpose of inclusion in the Annual Report. ERM will form part of the SBU heads and Management team's responsibilities. It shall be integrated and embedded into the Group's strategic and business planning exercise, operational processes and management systems, as guided by the Group's policies and procedures.

In respect of managing a special or specific risk, the responsibility may be assigned to a nominated senior officer of the Group, or a committee chairman, as determined by the ERMC when necessary. Consultants may be retained from time to time to advise and assist in the risk management process, or management of specific risks or categories of risk.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
[continued]

THE RISK MANAGEMENT FRAMEWORK (continued)

Employees of the Group at every work level are recognised as having a role in the risk management awareness and in the process of identification of risks. To enhance the risk management process, the Group conducts an annual exercise to review existing risks and identify new risks with the involvement of selected new staff to encourage their participation in the ERM process.

The ERM Policy enables the Management and the Board to share a common model in the effective communication and evaluation of principal risks faced by the Group and internal controls implemented to address the risks concerned. The risks associated with key business units are identified, assessed and categorised to highlight the root causes of risks, their impacts and the likelihood of occurrence. Risk profiles for the key business units are presented to the ERMC and the Board for deliberation and approval for adoption. Appropriate action plans are formulated to address any key risks identified by Management depending on the magnitude of each risk. The SBU heads also prepare actions plans to address and manage the key risks and control issues as highlighted by the internal auditors.

The Board with the assistance of the Audit Committee, the ERMC and internal auditors will re-assess the adequacy and effectiveness of these systems and where appropriate updates them when there are changes in the Group's business environment.

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management and internal control system comprises the following key elements:-

- IATF 16949:2009 Quality Management Systems has been implemented for one of the Group's main subsidiary where documented internal procedures and standard operating procedures have been put in place. Internal quality audits are carried out by management and annual surveillance audits are conducted by an independent certification body to ensure compliance;
- An organisation structure which clearly defines the lines of responsibility, accountability and delegation of appropriate levels of authority to the various divisions of the Group's business;
- Meetings are held at business units and divisional levels with the present of the Group Managing Director and/or Group General Manager to identify and to discuss any operational and financial issues as and when necessary;
- Information is provided to the senior management on a monthly basis covering financial performance for monitoring and decision making. The Group also operates an Enterprise Resource Planning System and information system that provides for transactions to be captured, compiled and reported. The information system is used as a tool for communication and sharing of knowledge;
- Quarterly monitoring of the Group's results by the Board, who plays an active role in discussing and reviewing any new business ventures, strategies, significant performance and risks faced by the Group; and
- Monthly financial reporting is in place for all companies within the Group whereby actual performance is monitored against the agreed targets set by the Group Managing Director. Explanation is provided for major variances and management action taken, when necessary.

INTERNAL AUDIT FUNCTIONS

The Audit Committee assists the Board in reviewing the adequacy and effectiveness of the risk management and internal control system in the Company. The Board has outsourced its internal audit functions to PKM, which reports directly to the Audit Committee.

A description of the internal audit functions and activities of PKM during the financial year ended 30 November 2017 can be found in the Audit Committee Report as set out on pages 34 and 35 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
[continued]

CONCLUSION

The Board has received assurance from the Group Managing Director and Group General Manager that the Group's current risk management and internal control systems have been operating adequately and effectively, in all material aspects during the financial year under review and up to the date of this Statement. Taking this assurance into consideration, the Board is of the view that the systems of risk management and internal control were satisfactory and have not resulted in any material losses, contingencies or uncertainties. As the development of a sound system of internal control is an on-going process, the Board and Management will continually assess the adequacy and effectiveness of the Group's risk management framework and system of internal control and to strengthen it as and when necessary.

This Statement was approved by the Board of Directors on 19 March 2018.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Securities' MMLR, the external auditors have reviewed and reported the results thereof to the Board. The review was a limited assurance engagement performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and RPG 5 (Revised), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls Included in the Annual Report.*

Based on the limited assurance engagement performed, the external auditors, Messrs Baker Tilly Monteiro Heng, have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Guidelines, nor is factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company as at the end of each financial year, and of the results and cash flows of the Group and the Company for that year then ended.

In the process of preparing the financial statements of the Group and the Company for the financial year ended 30 November 2017, the Directors have:-

- adopted suitable accounting policies that are consistently applied;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on a going concern basis.

The Directors have the responsibility for ensuring that the Group maintains adequate accounting records which disclose with reasonable accuracy the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the regulatory requirements. In addition, the Directors have the general responsibility for taking reasonable steps to safeguard the assets of the Group and the Company to prevent and detect fraud and other irregularities.

REPORTS AND **FINANCIAL STATEMENTS**

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2017.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Loss for the financial year	(2,971,038)	(1,603,189)
Loss attributable to:		
Owners of the Company	(2,907,963)	(1,762,189)
Non-controlling interests	(63,075)	–
	(2,971,038)	(1,762,189)

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 November 2017.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off as bad debts or amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

DIRECTORS' REPORT
[continued]

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures was made by the Company.

DIRECTORS' REPORT
[continued]

DIRECTORS

The directors in office during the financial year and during the period from the end of the financial year to the date of the report are:

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin*
Dato' Koid Hun Kian*
Siow Hock Lee*
Tan Woon Huei*
Ir. Chew Yook Boo*
Chang Pak Hing (Retired on 17 May 2017)

*Directors of the Company and certain subsidiaries

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:

Dato' Sri Megat D. Shahriman Bin Dato' Zaharudin
Muhd Anas Zawawi Bin Khalid
Lim Hun Teik
Chin Wou Chau
Koid Siang Loong
Chong Wei Hwa
Ng Peng Hong
Lee Chye Khern
Wong Shok Fan
Ee Fook Choon (Appointed on 30 December 2016)
Ee Yong Chew (Resigned on 30 November 2017)
Wee Lian Pok (Resigned on 30 December 2016)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	At 1 December 2016	Bought	Sold	At 30 November 2017
Direct interest:				
Dato' Koid Hun Kian	7,994,888	–	–	7,994,888
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	–	–	200,000
Siow Hock Lee	65,333	–	–	65,333
Tan Woon Huei	219,000	–	–	219,000
Indirect interest:				
Dato' Koid Hun Kian *	3,989,270	1,573,733	–	5,563,003
Siow Hock Lee *	814,333	–	–	814,333

* This includes shares held by spouse and/or child pursuant to Section 59(11)(c) of the Companies Act 2016.

DIRECTORS' REPORT
[continued]

DIRECTORS' INTERESTS (CONTINUED)

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Dato' Koid Hun Kian is deemed to have an interest in the ordinary shares of the subsidiaries during the financial year to the extent that the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than the benefits included in the aggregate amount of emoluments received or due and receivable by directors and the estimated value of benefit-in-kind as disclosed in Note 31 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM10,000,000 and RM15,380 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Details of significant event during the financial year are disclosed in Note 40 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant event subsequent to the end of the financial year end are disclosed in Note 41 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 31 to the financial statements.

INDEMNITY TO AUDITORS

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

DIRECTORS' REPORT
[continued]

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

…………………………………………………………………………
YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN
Director

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DATO' KOID HUN KIAN
Director

Date: 19 March 2018

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	2,036,951	1,853,313	28,421	59,778
Investment in subsidiaries	6	–	–	20,490,646	20,942,809
Investment in associates	7	1,070,945	1,585,262	–	–
Intangible assets	8	581,337	2,241,000	–	–
Other investments	9	250,000	250,000	–	250,000
Investment property	10	168,717	168,717	–	–
Total non-current assets		4,107,950	6,098,292	20,519,067	21,252,587
Current assets					
Property development costs	11	8,426,642	7,877,007	–	–
Inventories	12	2,401,648	1,268,783	–	–
Other investments	9	11,621,125	8,851,546	1,765,919	253,020
Trade receivables	13	18,260,539	26,186,154	–	–
Other receivables, deposits and prepayments	14	1,754,340	1,176,729	67,053	72,956
Tax assets	15	372,149	321,740	–	–
Amounts owing by subsidiaries	16	–	–	5,313,284	7,052,704
Amounts owing by associates	17	1,666,562	2,883,161	197,942	246,832
Cash deposits with licensed banks	18	8,116,804	5,698,558	–	–
Cash and bank balances	19	4,254,656	7,525,612	222,950	910,195
Total current assets		56,874,465	61,789,290	7,567,148	8,535,707
TOTAL ASSETS		60,982,415	67,887,582	28,086,215	29,788,294

STATEMENTS OF FINANCIAL POSITION
AS AT 30 NOVEMBER 2017
[continued]

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	20	29,245,803	49,277,066	29,245,803	49,277,066
Reserves	21	11,814,113	(5,232,879)	(1,603,189)	(19,872,263)
		41,059,916	44,044,187	27,642,614	29,404,803
Non-controlling interests		1,890,398	1,857,632	–	–
Total equity		42,950,314	45,901,819	27,642,614	29,404,803
Liabilities					
Non-current liabilities					
Finance lease payables	22	356,993	155,669	–	–
Deferred tax liabilities	23	95,925	408,013	–	–
Total non-current liabilities		452,918	563,682	–	–
Current liabilities					
Trade payables	24	6,678,189	11,762,621	–	–
Other payables, deposits and accruals	25	9,662,921	8,187,189	396,576	335,680
Amount owing to associates	17	–	219,441	–	–
Provisions	26	175,973	593,213	46,539	47,325
Bank borrowings	27	796,122	374,043	–	–
Finance lease payables	22	140,137	133,293	–	–
Tax liabilities		125,841	152,281	486	486
Total current liabilities		17,579,183	21,422,081	443,601	383,491
Total liabilities		18,032,101	21,985,763	443,601	383,491
TOTAL EQUITY AND LIABILITIES		60,982,415	67,887,582	28,086,215	29,788,294

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Revenue	29	33,427,364	47,417,013	983,940	1,427,940
Cost of sales	30	(28,036,113)	(36,404,767)	–	–
Gross profit		5,391,251	11,012,246	983,940	1,427,940
Other operating income		943,074	951,823	76,120	72,865
Distribution expenses		(778,970)	(618,609)	–	–
Administrative expenses		(5,871,417)	(7,641,978)	(1,726,426)	(1,507,596)
Other operating expenses		(2,309,346)	(2,814,463)	(936,823)	(470,014)
		(8,959,733)	(11,075,050)	(2,663,249)	(1,977,610)
(Loss)/Profit from operations		(2,625,408)	889,019	(1,603,189)	(476,805)
Finance costs		(46,114)	(69,698)	–	–
Share of results of associates		(530,574)	232,979	–	–
(Loss)/Profit before tax	31	(3,202,096)	1,052,300	(1,603,189)	(476,805)
Tax credit/(expense)	32	231,058	(599,770)	–	–
(Loss)/Profit for the financial year		(2,971,038)	452,530	(1,603,189)	(476,805)
Other comprehensive (loss)/ income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		14,635	(14,376)	–	–
Reclassification adjustment of fair value reserve		–	–	(159,000)	–
Total comprehensive (loss)/ income for the financial year		(2,956,403)	438,154	(1,762,189)	(476,805)
(Loss)/Profit attributable to:					
Owners of the Company		(2,907,963)	256,678	(1,603,189)	(476,805)
Non-controlling interests		(63,075)	195,852	–	–
		(2,971,038)	452,530	(1,603,189)	(476,805)
Total comprehensive (loss)/ income attributable to:					
Owners of the Company		(2,893,328)	246,613	(1,762,189)	(476,805)
Non-controlling interests		(63,075)	191,541	–	–
		(2,956,403)	438,154	(1,762,189)	(476,805)
(Loss)/Earnings per share (sen)					
- Basic	33	(5.90)	0.52		
- Diluted	33	(5.90)	0.52		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

Group	Note	Attributable to Owners of the Company							
		Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Foreign Exchange Reserve RM	Accumulated Losses RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
At 1 December 2015		49,277,066	4,774,665	159,000	23,692	(10,331,268)	43,903,155	374,010	44,277,165
Comprehensive income/(loss)									
Profit for the financial year		–	–	–	–	256,678	256,678	195,852	452,530
Other comprehensive loss for the financial year		–	–	–	(10,065)	–	(10,065)	(4,311)	(14,376)
Total comprehensive (loss)/ income for the financial year		–	–	–	(10,065)	256,678	246,613	191,541	438,154
Transactions with owners									
Subscription of new shares by non-controlling interest in a subsidiary	6(c)	–	–	–	–	–	–	1,186,500	1,186,500
Dilution of equity interest in a subsidiary		–	–	–	–	(105,581)	(105,581)	105,581	–
Total transactions with owners		–	–	–	–	(105,581)	(105,581)	1,292,081	1,186,500
At 30 November 2016		49,277,066	4,774,665	159,000	13,627	(10,180,171)	44,044,187	1,857,632	45,901,819

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017
[continued]

Group	Note	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Foreign Exchange Reserve RM	(Accumulated Losses)/ Retained Earnings RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
		Attributable to Owners of the Company							
At 1 December 2016		49,277,066	4,774,665	159,000	13,627	(10,180,171)	44,044,187	1,857,632	45,901,819
Comprehensive income/(loss)									
Loss for the financial year		–	–	–	–	(2,907,963)	(2,907,963)	(63,075)	(2,971,038)
Other comprehensive income for the financial year		–	–	–	14,635	–	14,635	–	14,635
Total comprehensive (loss)/ income for the financial year		–	–	–	14,635	(2,907,963)	(2,893,328)	(63,075)	(2,956,403)
Transactions with owners									
Acquisition of non-controlling interest	6(b)	–	–	–	7,003	(97,946)	(90,943)	90,941	(2)
Subscription of shares by non-controlling interest in a subsidiary	6(a)	–	–	–	–	–	–	4,900	4,900
Capital reduction ^		(24,805,928)	–	–	–	24,805,928	–	–	–
Total transactions with owners		(24,805,928)	–	–	7,003	24,707,982	(90,943)	95,841	4,898
Transition to no-par value regime ^		4,774,665	(4,774,665)	–	–	–	–	–	–
At 30 November 2017		29,245,803	–	159,000	35,265	11,619,848	41,059,916	1,890,398	42,950,314

^ Refer to Note 20 for details.

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017 [continued]

Company	Share Capital RM	Share Premium RM	Fair Value Adjustment Reserve RM	Accumulated Losses RM	Total Equity RM
At 1 December 2015	49,277,066	4,774,665	159,000	(24,329,123)	29,881,608
Comprehensive income/ (loss)					
Loss for the financial year	-	-	-	(476,805)	(476,805)
Total comprehensive loss for the financial year	-	-	-	(476,805)	(476,805)
At 30 November 2016	49,277,066	4,774,665	159,000	(24,805,928)	29,404,803
Comprehensive income/ (loss)					
Loss for the financial year	-	-	-	(1,603,189)	(1,603,189)
Other comprehensive loss for the financial year	-	-	(159,000)	-	(159,000)
Total comprehensive loss for the financial year	-	-	(159,000)	(1,603,189)	(1,762,189)
Transaction with owners					
Capital reduction ^	(24,805,928)	-	-	24,805,928	-
Total transaction with owners	(24,805,928)	-	-	24,805,928	-
Transition to no-par value regime ^	4,774,665	(4,774,665)	-	-	-
At 30 November 2017	29,245,803	-	-	(1,603,189)	27,642,614

^ Refer to Note 20 for details.

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(3,202,096)	1,052,300	(1,603,189)	(476,805)
Adjustments for:					
Amortisation of intangible assets		1,019,647	1,202,020	–	–
Deposits written off		2,010	–	2,010	–
Depreciation of property, plant and equipment		890,959	856,543	48,387	66,995
Distribution income from fixed income funds		(307,956)	(399,142)	–	–
Gain on disposal of property, plant and equipment		(99,527)	(53,951)	–	–
Gain on disposal of intangible asset		(48,967)	–	–	–
Impairment loss on:					
- investment in subsidiary		–	–	452,163	–
- other receivables		6,180	–	6,180	–
- trade receivables		–	358,289	–	–
Interest expense		46,114	52,545	–	–
Interest income		(256,778)	(256,550)	(8,229)	–
Net reversal of warranty costs		(421,286)	(76,726)	–	–
Net provision/(reversal) for employee benefits		4,046	440	(786)	11,836
Amount written off:					
- intangible assets		241,356	–	–	–
- property, plant and equipment		4,853	–	–	–
Share of results of associates		530,574	(232,979)	–	–
Unrealised loss on foreign exchange		94,436	47,072	–	–
Waiver of amounts owing by subsidiaries		–	–	4,280	4,280
Operating (loss)/profit before changes in working capital		(1,496,435)	2,549,861	(1,099,184)	(393,694)
Changes in working capital:					
Property development costs		(549,635)	2,395,381	–	–
Inventories		(1,135,222)	(532,941)	–	–
Receivables		7,809,732	(10,905,397)	(2,287)	24,826
Payables		(3,703,136)	3,024,192	60,896	(1,422,914)
Cash generated from/(used in) operations carried forward		925,304	(3,468,904)	(1,040,575)	(1,791,782)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017 [continued]

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Cash flows from operating activities (Continued)					
Cash generated from/(used in) operations brought down		925,304	(3,468,904)	(1,040,575)	(1,791,782)
Interest paid		(46,114)	(52,545)	–	–
Interest received		256,778	256,550	8,229	–
Income tax paid		(157,879)	(1,684,376)	–	–
Net cash from/(used in) operating activities		978,089	(4,949,275)	(1,032,346)	(1,791,782)
Cash flows from investing activities					
Acquisition of non-controlling interest		(2)	–	–	–
Additions in intangible assets	8	–	(39,106)	–	–
Additions in investment in associates	7	(13,900)	(200,000)	–	–
Repayment from subsidiaries		–	–	1,826,140	2,250,952
Repayment from associates		997,158	256,940	48,890	52,774
Distribution income from fixed income fund		307,956	399,142	–	–
(Placement)/Withdrawal of short term deposits		(2,418,246)	902,508	–	–
Proceeds from disposal of property, plant and equipment		269,038	138,035	–	–
Purchase of property, plant and equipment	5	(841,100)	(578,116)	(17,030)	(17,541)
Net (placement)/withdrawal of fixed income funds		(2,769,579)	3,802,322	(1,512,899)	189,747
Net cash (used in)/from investing activities carried forward		(4,468,675)	4,681,725	345,101	2,475,932

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2017 [continued]

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Net cash(used in) from investing activities brought down		(4,468,675)	4,681,725	345,101	2,475,932
Cash flows from financing activities					
Subscription of shares by non-controlling shareholder		4,900	1,186,500	–	–
Payment of finance lease payables		(199,693)	(282,377)	–	–
Net cash (used in)/from financing activities		(194,793)	904,123	–	–
Net (decrease)/increase in cash and cash equivalents		(3,685,379)	636,573	(687,245)	684,150
Cash and cash equivalents at the beginning of the financial year		7,151,569	6,473,801	910,195	226,045
Effects of foreign exchange rate changes		(7,656)	41,195	–	–
Cash and cash equivalents at the end of the financial year	28	3,458,534	7,151,569	222,950	910,195

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Amtel Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and the provision of management services. The principal activities of the subsidiaries are set out in Note 6.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 19 March 2018.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Adoption of amendments/improvements to MFRSs

The Company had adopted the following amendments/improvements to MFRSs that are mandatory for the current financial year:

Amendments/Improvements to MFRSs

MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangement
MFRS 12	Disclosure of Interest in Other Entities
MFRS 101	Presentation of Financial Statements
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
MFRS 138	Intangible Assets
MFRS 141	Agriculture

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of MFRS	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangement	1 January 2019
MFRS 12	Disclosure of Interest in Other Entities	1 January 2017
MFRS 112	Income Taxes	1 January 2017/ 1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below. Due to the complexity of these new MFRSs, amendments/improvements to MFRSs and new IC Int, the financial effects of their adoption are currently still being assessed by the Group and the Company.

MFRS 9 Financial Instruments

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification of financial assets which is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS [continued]

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

MFRS 9 Financial Instruments (Continued)

Key requirements of MFRS 9: (Continued)

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) Identify the contracts with a customer.
(ii) Identify the performance obligation in the contract.
(iii) Determine the transaction price.
(iv) Allocate the transaction price to the performance obligations in the contract.
(v) Recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

MFRS 16 Leases

Currently under MFRS 117 *Leases*, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statement of financial position except for short-term and low value asset leases.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

Amendments to MFRS 2 Share-based Payment

Amendments to MFRS 2 provide specific guidance on the accounting for:
(a) the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
(b) share-based payment transactions with a net settlement feature for withholding tax obligations; and
(c) a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

Amendments to MFRS 12 Disclosure of Interests in Other Entities

Amendments to MFRS 12 clarify that entities classified as held for sale are required to apply all the disclosure requirements of MFRS 12 except for the disclosure requirements set out in paragraphs B10-B16.

Amendments to MFRS 107 Statement of Cash Flows

Amendments to MFRS 107 require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including changes from cash flows and non-cash changes. The disclosure requirement could be satisfied in various ways, and one method is by providing reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that decreases in value of debt instrument measured at fair value for which the tax base remains at its original cost give rise to a deductible temporary difference. The estimate of probable future taxable profits may include recovery of some of an entity's assets for more than their carrying amounts if sufficient evidence exists that it is probable the entity will achieve this.

The amendments also clarify that deductible temporary differences should be compared with the entity's future taxable profits excluding tax deductions resulting from the reversal of those deductible temporary differences when an entity evaluates whether it has sufficient future taxable profits. In addition, when an entity assesses whether taxable profits will be available, it should consider tax law restrictions with regards to the utilisation of the deduction.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that an entity, which is a venture capital organisation, or a mutual fund, unit trust or similar entities, has an investment-by-investment choice to measure its investments in associates or joint ventures at fair value through profit or loss.

Amendments to MFRS 140 Investment Property

Amendments to MFRS 140 clarify that to transfer to, or from, investment properties there must be evidence of a change in use. To conclude if a property has changed use there should be an assessment of whether the property meets the definition of investment property. A change in intention, in isolation, does not provide evidence of a change in use.

The amendments also clarify that the list of circumstances that evidence a change in use is not exhaustive.

NOTES TO THE FINANCIAL STATEMENTS [continued]

2. BASIS OF PREPARATION (CONTINUED)

2.3 New MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") that have been issued, but yet to be effective (Continued)

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These Amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of Measurement

The financial statements of the Group and Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3.

2.6 Use of Estimates and Judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of Consolidation (Continued)

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group losses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.8(a).

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

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of Consolidation (Continued)

(a) Subsidiaries and business combination (Continued)

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

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in associates are accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of an available-for-sale financial asset or a held for trading financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of Consolidation (Continued)

(c) Associates (Continued)

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

(d) Transactions eliminated on consolidation

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

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate Financial Statements

In the Company's statement of financial position, investment in subsidiaries and associates are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b).

Contribution to subsidiaries are amounts which the Company does not expect repayment in the foreseeable future and are considered as part of the Company's investment in the subsidiaries.

3.3 Foreign Currency Transactions and Operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Foreign Currency Transactions and Operations (Continued)

(a) Translation of foreign currency transactions (Continued)

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3.4 Financial Instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contract provisions of the financial instrument.

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

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

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial Instruments (Continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a). Gains and losses are recognised in profit or loss through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a). Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial Instruments (Continued)

(a) Subsequent measurement (Continued)

The Group and the Company categorise the financial instruments as follows: (Continued)

(i) Financial assets (Continued)

Available-for-sale financial assets (Continued)

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

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a).

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments whose fair values otherwise cannot be reliably measured are measured at cost.

Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial Instruments (Continued)

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group and the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset). Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset 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 other comprehensive income 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, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(e) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, Plant and Equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.17.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Buildings	2%
Plant, machinery and tools	10% - 33.33%
Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation	10% - 33.33%
Motor vehicles	20%

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, Plant and Equipment (Continued)

(d) Derecognition

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

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group does not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

(b) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statement of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investment Properties

Investment properties are properties held to earn rental income or for capital appreciation or both.

The Group uses the cost model to measure its investment properties after initial recognition. Accordingly, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12.

No depreciation is provided on the freehold land as it has indefinite useful life.

An investment property is derecognised on their disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gains and losses arising from derecognition of the asset is recognised in the profit or loss.

3.8 Goodwill and Other Intangible Assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

In respect of equity-accounted associates and joint ventures, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Research and development costs

Research costs are recognised in profit or loss as incurred.

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and Other Intangible Assets (Continued)

(c) Licenses

Licenses acquired in a business combination are recognised at fair value at the acquisition date. The licenses have been acquired with the option to renew at little or no cost to the Group. As a result, those licenses are assessed as having an indefinite useful life. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b).

(d) Development rights

Development rights acquired in a business combination are recognised at fair value at the acquisition date. The development rights are amortised over the percentage of completion of the development project and assessed for impairment whenever there is an indication that the development rights may be impaired. The amortisation expense on development rights is recognised in profit or loss.

(e) Amortisation

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful life (years)
License rights	Straight-line	5
Development costs	Straight-line	3-5
Development rights	% of completion	2-3

3.9 Property Development Costs

Property development costs consist of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in profit or loss by using the percentage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue and expenses are recognised only to the extent where the recoverability of property development costs incurred is probable, and the property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in profit or loss. Property development costs not recognised as an expenses is recognised as an asset, which is measured at the lower of cost and net realisable value. Upon the completion of the development, the unsold completed development properties are transferred to inventories.

Borrowing costs incurred on the property development project are capitalised and included as part of property development costs in accordance with the accounting policy on borrowing costs.

The excess of revenue recognised in profit or loss over billings to purchasers is classified as accrued billings and the excess of billings to purchasers over revenue recognised in profit or loss is classified as advance billings.

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in-first-out basis. Cost includes the actual cost of materials purchased and incidentals in bringing the inventories into store.

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

3.11 Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts and cash deposits under lien.

3.12 Impairment of Assets

(a) Impairment and uncollectibility of financial assets

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries, associates and joint ventures) are assessed whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables and held-to-maturity investments

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of Assets (Continued)

(a) Impairment and uncollectibility of financial assets (Continued)

Loans and receivables and held-to-maturity investments (Continued)

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where a decline in the fair value of an available-for-sale financial asset has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

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

Unquoted equity instruments carried at cost

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, amount due from customers for contract work, deferred tax assets, assets arising from employee benefits, investment properties measured at fair value, biological assets and non-current assets or disposal groups classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of Assets (Continued)

(b) Impairment of non-financial assets (Continued)

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14 Employee Benefits

(i) Short term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses and non-monetary benefits are recognised as an expense in the financial period when employees have rendered their services to the Group. Short term accumulating compensated absences such as paid annual leave are recognised as an expense when employees render services that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A liability is recognised for the amount expected to be paid if the Group and the Company have a present legal and constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as expenses as incurred.

3.15 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

3.16 Revenue Recognition

Revenue is recognised to the extent that is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised upon delivery of goods and when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

(ii) Services

Revenue from services is recognised as and when the services are rendered and by reference to the stage of completion at the reporting date. Stage of completion is determined by reference to labour costs incurred to date as a percentage of total estimated labour costs for each contract. Where the contract outcome cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue Recognition (Continued)

(iii) Services and construction contract

Revenue from services and construction contracts is recognised on the percentage of completion method when the outcome of the services and construction contracts can be reliably estimated. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to-date bear to the estimated total services or construction costs. Where foreseeable losses on services and construction contracts are anticipated, full allowance of those losses is made in the financial statements.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

(iv) Property development

Revenue from the sale of properties is accounted for by the stage of completion method in respect of the property units sold. The stage of completion method is determined by the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Any expected loss on development project is recognised as an expense immediately, including costs to be incurred over the defects liability period.

(v) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

(vi) Distribution income

Distribution income is recognised when the right to receive payment is established.

(vii) Interest income

Interest income is recognised using the effective interest method.

(viii) Management fee income

Management fee income is recognised net of goods and services tax discounts on and when the services are performed.

3.17 Borrowing Costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognised in profit or loss in the period in which they are incurred by using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Income Tax

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

(a) Current tax

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

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches, associates and interests in joint ventures, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

NOTES TO THE FINANCIAL STATEMENTS [continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Income Tax (Continued)

(b) Deferred tax (Continued)

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

3.19 Earnings Per Share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.20 Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision maker that makes strategic decisions.

3.21 Fair Value Measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(i) Impairment of equipment and intangible assets (Notes 5 and 8)

The Group and the Company assesses impairment of assets whenever the events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable, i.e. the carrying amount of the asset is more than the recoverable amount.

Significant judgement is required in the estimation of the recoverable amount using the expected future cash flows from the asset or cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(ii) Services and construction contract revenue and expenses (Notes 29 and 30)

The Group recognised services and construction contract revenue and expenses in profit or loss by using the stage of completion method. The stage of completion is determined by the proportion that services or construction costs incurred for work performed to date bear to the estimated total services or construction costs.

Significant judgement is required in determining the stage of completion, the extent of the construction costs incurred, the estimated total services and construction revenue and expenses, as well as the recoverability of the services and construction projects. In making the judgement, the Group evaluates based on past experience.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost						
At 1 December 2016	40,000	122,365	626,933	3,763,649	2,388,803	6,941,750
Additions	–	–	458,726	176,425	613,810	1,248,961
Disposals	–	–	–	–	(506,057)	(506,057)
Written off	–	–	(5,600)	–	–	(5,600)
At 30 November 2017	40,000	122,365	1,080,059	3,940,074	2,496,556	7,679,054
Accumulated Depreciation and Impairment Loss						
At 1 December 2016						
Accumulated depreciation	–	33,814	214,098	2,967,641	1,707,201	4,922,754
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	33,814	214,098	3,133,324	1,707,201	5,088,437
Depreciation charge for the financial year	–	2,200	322,995	277,745	288,019	890,959
Disposals	–	–	–	–	(336,546)	(336,546)
Written off	–	–	(747)	–	–	(747)
At 30 November 2017	–	2,200	322,248	277,745	(48,527)	553,666
Accumulated depreciation	–	36,014	536,346	3,245,386	1,658,674	5,476,420
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	36,014	536,346	3,411,069	1,658,674	5,642,103
Net Carrying Amount						
At 30 November 2017	40,000	86,351	543,713	529,005	837,882	2,036,951

NOTES TO THE FINANCIAL STATEMENTS
[continued]

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost						
At 1 December 2015	40,000	122,365	630,333	3,753,206	2,364,481	6,910,385
Additions	–	–	86,600	318,571	342,455	747,626
Disposals	–	–	(90,000)	–	(318,133)	(408,133)
Written off	–	–	–	(308,128)	–	(308,128)
At 30 November 2016	40,000	122,365	626,933	3,763,649	2,388,803	6,941,750
Accumulated Depreciation and Impairment Loss						
At 1 December 2015						
Accumulated depreciation	–	31,614	187,716	2,760,077	1,718,981	4,698,388
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	31,614	187,716	2,925,760	1,718,981	4,864,071
Depreciation charge for the financial year	–	2,200	77,049	515,692	261,602	856,543
Disposals	–	–	(50,667)	–	(273,382)	(324,049)
Written off	–	–	–	(308,128)	–	(308,128)
At 30 November 2016	–	2,200	26,382	207,564	(11,780)	224,366
Accumulated depreciation	–	33,814	214,098	2,967,641	1,707,201	4,922,754
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	33,814	214,098	3,133,324	1,707,201	5,088,437
Net Carrying Amount						
At 30 November 2016	40,000	88,551	412,835	630,325	681,602	1,853,313

NOTES TO THE FINANCIAL STATEMENTS [continued]

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fixture, fittings, office and computer equipment and electrical installation RM	Renovation RM	Total RM
Cost			
At 1 December 2016	392,577	–	392,577
Additions	15,095	1,935	17,030
At 30 November 2017	407,672	1,935	409,607
Accumulated depreciation and impairment loss			
At 1 December 2016			
Accumulated depreciation	325,750	–	325,750
Accumulated impairment loss	7,049	–	7,049
	332,799	–	332,799
Depreciation charge for the financial year	47,475	912	48,387
At 30 November 2017	380,274	912	381,186
Net carrying amount			
At 30 November 2017	27,398	1,023	28,421
Cost			
At 1 December 2015	375,036	–	375,036
Additions	17,541	–	17,541
At 30 November 2016	392,577	–	392,577
Accumulated depreciation and impairment loss			
At 1 December 2015			
Accumulated depreciation	258,755	–	258,755
Accumulated impairment loss	7,049	–	7,049
	265,804	–	265,804
Depreciation charge for the financial year	66,995	–	66,995
At 30 November 2016	332,799	–	332,799
Net carrying amount			
At 30 November 2016	59,778	–	59,778

NOTES TO THE FINANCIAL STATEMENTS
[continued]

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Included in property, plant and equipment of the Group are motor vehicles acquired under finance lease arrangement as follows:

	Group 2017 RM	Group 2016 RM
Cost		
Motor vehicles	777,374	829,442
Net carrying amount		
Motor vehicles	452,439	323,822

During the financial year, the Group and the Company acquired property, plant and equipment with an aggregate cost of RM1,248,961 (2016: RM747,626) and RM17,030 (2016: RM17,541) respectively which are satisfied by the following:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash payments	841,100	578,116	17,030	17,541
Finance lease arrangement	407,861	169,510	–	–
	1,248,961	747,626	17,030	17,541

During the financial year, the Company performed an impairment assessment on the equipment of a loss-making subsidiary amounting to RM967,755 by estimating the recoverable amount of the subsidiary using the expected future cash flows and applying discount rate. Based on the assessment, the Group concluded that no impairment on the equipment was required.

6. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	Company 2016 RM
Unquoted shares		
At cost		
At beginning of the financial year	30,578,904	30,578,904
Less: Accumulated impairment loss		
At beginning of the financial year	(9,636,095)	(9,636,095)
Addition	(452,163)	–
At end of the financial year	(10,088,258)	(9,636,095)
	20,490,646	20,942,809

NOTES TO THE FINANCIAL STATEMENTS
[continued]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2017	2016	Principal Activities
Held by the Company				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Trading and distribution of telematics, electronics and telecommunication related products, vehicle products and related accessories.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Amtel Group Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Metrarama Sdn. Bhd.	Malaysia	100%	100%	Property investment and investment holding.
Amtel Resources Sdn. Bhd.	Malaysia	76.92%	76.92%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
Amtel Engineering Sdn. Bhd.	Malaysia	100%	100%	Manufacturing, assembling, installation and distribution of automotive products and related accessories and information & communication technology products.
Mewah Amanjaya Sdn. Bhd.	Malaysia	100%	100%	Property development.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (Continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2017	2016	Principal Activities
Held through Amtel Cellular Sdn. Bhd.				
Amnavi Sdn. Bhd.	Malaysia	85%	85%	Geographical Information System (GIS) and related products. Integration, implementation, maintenance and provision of technical services relating to the products.
Amtel Pte. Ltd.#	Singapore	100%	70%	Developing and maintaining of map data source for navigation and web based portal application.
Amtel Mega Sdn. Bhd.	Malaysia	51%	–	Providing technology, engineering and infrastructure services, trading and services and service provider.

 # Audited by auditors other than Baker Tilly Monteiro Heng.

(a) Incorporation of subsidiary

On 23 March 2017, Amtel Cellular Sdn. Bhd. ("AMCSB"), a wholly owned subsidiary of the Company has incorporated a new subsidiary namely Amtel Mega Sdn. Bhd. ("AMSB") with the subscription of 5,100 units of ordinary shares representing 51% of share capital of AMSB for a cash consideration of RM5,100.

(b) Acquisition of non-controlling interest

On 1 December 2016, AMCSB, a wholly owned subsidiary of the Company has purchased an additional 30% equity interest (representing 60,000 units of ordinary shares of SGD1.00 each) in Amtel Pte. Ltd. ("APL"), a subsidiary of AMCSB for a total cash consideration of SGD1.00. The Company's effective ownership in APL has increased from 70% to 100% as a result of this additional shares purchased.

(c) Subscription of new ordinary shares

On 12 May 2016, 300,000 ordinary shares were subscribed by 2 employees of Amtel Resources Sdn. Bhd. ("ARSB") representing 23.08% of the enlarged issued and paid up share capital for a total cash consideration of RM1.186 million. As a result, the Company's equity interest in ARSB has been reduced from 100% to 76.92%.

NOTES TO THE FINANCIAL STATEMENTS [continued]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Non-controlling interests in subsidiaries

The subsidiaries of the Group that have non-controlling interests ("NCI") are as follows:

Group	Amtel Resources Sdn. Bhd. RM	Amnavi Sdn. Bhd. RM	Amtel Mega Sdn. Bhd. RM	Amtel Pte. Ltd. RM	Total RM
2017					
NCI percentage of ownership interest and voting interest	23.08%	15%	49%	–	
Carrying amount of NCI	1,644,354	244,985	1,059	–	1,890,398
Profit/(Loss) allocated to NCI	52,852	(112,086)	(3,841)	–	(63,075)
Total comprehensive income/(loss) attributable to NCI	52,852	(112,086)	(3,841)	–	(63,075)
2016					
NCI percentage of ownership interest and voting interest	23.08%	15%	–	30%	
Carrying amount of NCI	1,591,500	357,072	–	(90,940)	1,857,632
Profit/(Loss) allocated to NCI	299,419	2,201	–	(105,768)	195,852
Total comprehensive income/(loss) attributable to NCI	299,419	2,201	–	(110,079)	191,541

NOTES TO THE FINANCIAL STATEMENTS
[continued]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Non-controlling interests in subsidiaries (Continued)

The summarised financial information before intra-group elimination of the subsidiaries that have NCI as at the end of each reporting period are as follows:

	Amtel Resources Sdn. Bhd. RM	Amnavi Sdn. Bhd. RM	Amtel Mega Sdn. Bhd. RM	Amtel Pte. Ltd. RM
Group				
2017				
Assets and liabilities				
Non-current assets	1,165,334	83,803	–	–
Current assets	12,952,861	2,150,759	3,481	–
Non-current liabilities	(246,597)	–	–	–
Current liabilities	(6,786,967)	(548,732)	(1,320)	–
Net assets	7,084,631	1,685,830	2,161	–
Results				
Revenue	12,773,957	695,000	–	–
Profit/(Loss) for the financial year	189,044	(694,640)	(7,839)	–
Total comprehensive income/(loss)	189,044	(694,640)	(7,839)	–
Cash flows from/(used in) operating activities	2,243,658	407,709	(6,519)	–
Cash flows used in investing activities	(273,491)	(247,295)	–	–
Cash flows (used in)/from financing activities	(357,931)	(12,715)	10,000	–
2016				
Assets and liabilities				
Non-current assets	1,056,119	108,159	–	662,307
Current assets	11,945,458	2,811,642	–	153,327
Non-current liabilities	(114,752)	(52,600)	–	–
Current liabilities	(5,991,238)	(486,731)	–	(1,118,772)
Net assets	6,895,587	2,380,470	–	(303,138)
Results				
Revenue	14,027,867	1,436,574	–	533,947
Profit/(Loss) for the financial year	1,760,236	14,674	–	(352,560)
Total comprehensive income/(loss)	1,760,236	14,674	–	(352,560)
Cash flows from/(used in) operating activities	55,258	186,190	–	(281,233)
Cash flows from/(used in) investing activities	734,810	318,329	–	(9,231)
Cash flows (used in)/from financing activities	(351,954)	(369,894)	–	200,002

NOTES TO THE FINANCIAL STATEMENTS [continued]

7. INVESTMENT IN ASSOCIATES

	Group 2017 RM	Group 2016 RM
Unquoted shares		
At cost		
At beginning of the financial year	294,561	94,561
Additions	13,900	200,000
At end of the financial year	308,461	294,561
Share of results of associates		
At beginning of the financial year	1,290,701	1,055,459
Current year share of results	(528,217)	235,242
At end of the financial year	762,484	1,290,701
	1,070,945	1,585,262

Reconciliation of share of results of associates recognised in investment in associates and statements of profit or loss and other comprehensive income is as follows:

	Group 2017 RM	Group 2016 RM
As per investment in associate	(528,217)	235,242
Elimination of share of unrealised profit or sales by associate	(2,357)	(2,263)
As per statements of profit or loss and other comprehensive income	(530,574)	232,979

Details of associates are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2017	Effective Equity Interest 2016	Principal Activities
Held through Amtel Cellular Sdn. Bhd.				
Milan Utama Sdn. Bhd.	Malaysia	35%	35%	Trading and distribution of telecommunication, telematics and information & communication technology products, installation & ditribution of vehicle products and project implementation.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

7. INVESTMENT IN ASSOCIATES (CONTINUED)

Details of associates are as follows: (Continued)

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2017	Effective Equity Interest 2016	Principal Activities
Held through Amtel Resources Sdn. Bhd.				
Amtel Networks Sdn. Bhd.	Malaysia	40%	38%	Contractors for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil work, trading and distribution of telematics and information and communication technology products and services.

(a) The summarised financial information of the associates are as follows:

	Milan Utama Sdn. Bhd. RM	Amtel Networks Sdn. Bhd. RM
Group		
2017		
Assets and liabilities		
Non-current assets	1,972,684	164,013
Current assets	4,405,242	6,183,105
Current liabilities	(3,905,511)	(5,951,445)
Net assets	2,472,415	395,673
Results		
Revenue	6,501,855	10,749,353
Loss for the financial year	(1,243,753)	(299,489)
Total comprehensive income	(1,243,753)	(299,489)
Group		
2016		
Assets and liabilities		
Non-current assets	3,090,925	200,829
Current assets	8,775,024	2,046,260
Non-current liabilities	(29,459)	(139,357)
Current liabilities	(8,120,322)	(1,412,569)
Net assets	3,716,168	695,163
Results		
Revenue	10,263,199	1,771,387
Profit for the financial year	534,546	46,761
Total comprehensive income	534,546	46,761

NOTES TO THE FINANCIAL STATEMENTS [continued]

7. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) The reconciliation of net assets of the associates to the carrying amount of the investment in associates are follows:

	Milan Utama Sdn. Bhd. RM	Amtel Networks Sdn. Bhd. RM	Total RM
Group			
2017			
Share of net assets of the Group, representing carrying amount in the statement of financial position	865,300	205,645	1,070,945
Share of results of the Group for the financial year ended 30 November 2016			
Share of loss for the financial year	(435,314)	(92,903)	(528,217)
2016			
Share of net assets of the Group, representing carrying amount in the statement of financial position	1,300,659	284,603	1,585,262
Share of results of the Group for the financial year ended 30 November 2016			
Share of profit for the financial year	225,159	10,083	235,242

8. INTANGIBLE ASSETS

	License rights RM	Development costs RM	Development costs in-progress RM	Development rights RM	Total RM
Group					
Cost					
At 1 December 2016	320,000	2,295,506	499,694	3,459,604	6,574,804
Disposal	–	(420,951)	–	–	(420,951)
Written off	–	(241,356)	–	–	(241,356)
Transfer	–	499,694	(499,694)	–	–
Translation adjustment	–	22,291	–	–	22,291
At 30 November 2017	320,000	2,155,184	–	3,459,604	5,934,788
Accumulated amortisation					
At 1 December 2016	320,000	878,711	–	3,135,093	4,333,804
Amortisation for the financial year	–	695,136	–	324,511	1,019,647
At 30 November 2017	320,000	1,573,847	–	3,459,604	5,353,451
Net carrying amount					
At 30 November 2017	–	581,337	–	–	581,337

NOTES TO THE FINANCIAL STATEMENTS
[continued]

8. INTANGIBLE ASSETS (CONTINUED)

	License rights RM	Development costs RM	Development costs in-progress RM	Development rights RM	Total RM
Group					
Cost					
At 1 December 2015	320,000	3,245,288	757,694	3,459,604	7,782,586
Additions	–	39,106	–	–	39,106
Transfer	–	258,000	(258,000)	–	–
Written off	–	(1,241,160)	–	–	(1,241,160)
Translation adjustment	–	(5,728)	–	–	(5,728)
At 30 November 2016	320,000	2,295,506	499,694	3,459,604	6,574,804
Accumulated amortisation					
At 1 December 2015	320,000	1,871,664	–	2,181,280	4,372,944
Amortisation for the financial year	–	248,207	–	953,813	1,202,020
Written off	–	(1,241,160)	–	–	(1,241,160)
At 30 November 2016	320,000	878,711	–	3,135,093	4,333,804
Net carrying amount					
At 30 November 2016	–	1,416,795	499,694	324,511	2,241,000

Development costs in-progress relates to the progress payment made for the development of a navigation software engine which had been completed and commercialised during the financial year.

During the financial year, the Group changed the estimated useful life of its development cost of a navigation software engine from 5 years to 3 years. The impact arising from this change is that the current and subsequent years amortisation of development costs will be RM695,136 and RM414,772 respectively. The changes in useful life is made based on management's best estimate on the current technological environment and product life cycle. This change in estimate is reflected prospectively in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*.

Development rights relate to the fair value assigned to the identifiable intangible asset, arising from the acquisition of a subsidiary.

During the financial year, the Group performed an impairment assessment on the development cost by estimating the recoverable amount of the subsidiary using the expected future cash flows and applying the discount rate. Based on the assessment, the Group concluded that no impairment on the development cost was required.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

9. OTHER INVESTMENTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Non-current				
At fair value				
- Transferable club membership	250,000	250,000	–	250,000
Current				
At fair value				
- Fixed income funds	11,621,125	8,851,546	1,765,919	253,020

The transferable club membership of the Group is held in trust by a director of the Company.

Investment in fixed income funds is redeemable upon one to seven days in notice.

10. INVESTMENT PROPERTY

	Group	
	2017 RM	2016 RM
Freehold land		
- At cost	168,717	168,717
- At fair value	474,840	427,356

The Group did not generate any rental income or incur any direct operating expenses arising from its investment property during the financial year.

Fair value of the investment property is categorised as level 3 fair value. The fair value of the investment property was derived by the directors based on the relevant information available through internal research and their best estimates.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

11. PROPERTY DEVELOPMENT COSTS

	Group 2017 RM	Group 2016 RM
Leasehold land		
At cost	13,690,840	13,690,840
Development cost		
At cost		
At beginning of the financial year	16,902,793	12,071,311
Additions	1,148,616	4,831,482
At end of the financial year	18,051,409	16,902,793
Total leasehold land and development cost	31,742,249	30,593,633
Less: Cost recognised as an expense in profit or loss		
At beginning of the financial year	22,716,626	15,489,763
Recognised during the financial year	598,981	7,226,863
At end of the financial year	23,315,607	22,716,626
	8,426,642	7,877,007

12. INVENTORIES

	Group 2017 RM	Group 2016 RM
At cost		
Trading goods	2,401,648	1,268,783

13. TRADE RECEIVABLES

		Group 2017 RM	Group 2016 RM
Trade receivables	(a)	7,260,908	13,048,083
Less: Allowance for impairment loss		(358,289)	(358,289)
		6,902,619	12,689,794
Amounts due from associates	(b)	6,454,892	3,089,125
Amounts due from contract customers	(c)	923,236	1,463,757
Accrued bilings		3,979,792	8,943,478
		18,260,539	26,186,154

NOTES TO THE FINANCIAL STATEMENTS [continued]

13. TRADE RECEIVABLES (CONTINUED)

(a) Trade receivables

(i) Credit terms of trade receivables

The Group's normal trade credit terms extended to customers ranges from 30 days to 90 days (2016: 30 days to 90 days).

(ii) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables at reporting date is as follows:

	Group 2017 RM	Group 2016 RM
Neither past due nor impaired	4,835,584	7,488,682
1 to 30 days past due not impaired	449,212	708,534
31 to 60 days past due not impaired	58,589	1,404,949
61 to 90 days past due not impaired	54,671	991,303
More than 91 days past due not impaired	1,504,563	2,096,326
	2,067,035	5,201,112
Impaired	358,289	358,289
	7,260,908	13,048,083

Trade receivables include retention sums of RM1,119,539 (2016: RM563,651) held by stakeholders and customers.

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

Trade receivables also include amounts due from house buyers with end financing facilities from end financier. In respect of house buyers with no end financing facilities, the Group remains the legal title to all properties sold until the full contracted sales value is settled. Accordingly, under normal circumstances, amounts due from house buyers are not impaired.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM2,067,035 (2016: RM5,201,112) which are past due but not impaired have no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

13. TRADE RECEIVABLES (CONTINUED)

(b) Amounts due from associates

The amounts due from associates were subject to normal trade terms from 30 days to 90 days (2016: 30 days to 90 days).

(c) Amounts due from contract customers

	Group	
	2017	**2016**
	RM	**RM**
Aggregate cost incurred to date	11,268,959	9,242,242
Add: Attributable profits	1,504,999	4,581,718
	12,773,958	13,823,960
Less: Progress billings	(11,850,722)	(12,360,203)
	923,236	1,463,757

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other receivables	249,415	257,562	6,710	6,710
Less: Allowance for impairment loss	(6,180)	–	(6,180)	–
	243,235	257,562	530	6,710
Deposits	312,489	279,616	54,560	56,570
GST refundable	73,808	597	1,498	–
Prepayments	1,124,808	638,954	10,465	9,676
	1,754,340	1,176,729	67,053	72,956

Included in prepayments of the Group is an amount of RM1,060,406 (2016: RM407,893) being prepayments made to suppliers for purchase of trading goods.

15. TAX ASSETS

This is in respect of tax recoverable from the Inland Revenue Board.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

16 AMOUNTS OWING BY SUBSIDIARIES

	Company	
	2017 RM	2016 RM
Amounts owing by subsidiaries	21,616,023	23,355,443
Less: Allowance for impairment loss	(16,302,739)	(16,302,739)
	5,313,284	7,052,704

The amounts owing by subsidiaries are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

17. AMOUNTS OWING BY/(TO) ASSOCIATES

Included in the amounts owing by associates is an amount of RM869,360 (2016: RM1,976,000) as a financial assistance provided to Milan Utama Sdn. Bhd..

The amounts owing by/(to) associates are non-trade in nature, unsecured, interest-free and repayable on demand in cash.

18. CASH DEPOSITS WITH LICENSED BANKS

Cash deposits with licensed banks of the Group bear effective interest at rates ranging from 1.75% to 3.45% (2016: 2.7% to 3.4%) per annum as at the financial year end with maturity period ranging from 1 day to 365 days (2016: 30 days to 365 days).

Included in the deposits of the Group is an amount of RM8,116,804 (2016: RM5,698,558) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 27.

19. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash at banks and in hand	4,254,656	7,525,612	222,950	910,195

The foreign currency exposure profiles of cash at banks and in hand of the Group are as follows:

	Group	
	2017 RM	2016 RM
United States Dollar	16,184	165,749
Renminbi	43,751	368,579
Singapore Dollar	4,637	138,400

NOTES TO THE FINANCIAL STATEMENTS
[continued]

20. SHARE CAPITAL

		Group/Company			
		Number of ordinary shares		Amounts	
	Note	2017 units	2016 units	2017 RM	2016 RM
Issued and fully paid:					
At 1 December		49,277,066	49,277,066	49,277,066	49,277,066
Capital reduction		–	–	(24,805,928)	–
Transition to no-par value regime	21(a)	–	–	4,774,665	–
At 30 November		49,277,066	49,277,066	29,245,803	49,277,066

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

During the financial year, the Company had completed a capital reduction exercise by reducing and cancelling the share capital of the Company of RM24,805,928 to offset against the accumulated losses of the Company pursuant to Section 117 of the Companies Act 2016.

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital. Consequently, the credit balance of the share premium becomes part of the Company's share capital pursuant to the transitional provision set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months upon the commencement of the Act, use this amount for purposes as set out in Section 618(3) of the Act. There is no impact on the numbers of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

21. RESERVES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Share premium	–	4,774,665	–	4,774,665
Fair value adjustment reserve	159,000	159,000	–	159,000
Foreign exchange reserve	35,265	13,627	–	–
Retained earnings/(Accumulated losses)	11,619,848	(10,180,171)	(1,603,189)	(24,805,928)
	11,814,113	(5,232,879)	(1,603,189)	(19,872,263)

(a) Share premium

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. Pursuant to Section 618(2) of the Act, the sum of RM4,774,665 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital as disclosed in Note 20.

NOTES TO THE FINANCIAL STATEMENTS [continued]

21. RESERVES (CONTINUED)

(b) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of available-for-sale financial assets until they are disposed or impaired.

(c) Exchange reserve

The exchange reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

22. FINANCE LEASE PAYABLES

	Group	
	2017 RM	2016 RM
Future minimum lease payments	552,695	311,559
Less: Future finance charges	(55,565)	(22,597)
Total present value of minimum lease payments	497,130	288,962
Current		
Payable within 1 year		
Future minimum lease payments	162,618	145,098
Less: Future finance charges	(22,481)	(11,805)
Present value of minimum lease payments	140,137	133,293
Non-current		
Payable after 1 year but not later than 5 years		
Future minimum lease payments	390,077	166,461
Less: Future finance charges	(33,084)	(10,792)
Present value of minimum lease payments	356,993	155,669
Total present value of minimum lease payments	497,130	288,962

The finance lease payables of the Group bear effective interest at rates ranging from 4.64% to 6.32% (2016: 4.48% to 6.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

23. DEFERRED TAX LIABILITIES

	Group	
	2017 RM	2016 RM
At beginning of the financial year	408,013	610,708
Recognised in profit or loss (Note 32)	(312,088)	(202,695)
At end of the financial year	95,925	408,013

This is in respect of estimated deferred tax liabilities arising from temporary differences as follows:

	Group	
	2017 RM	2016 RM
Differences between the carrying amount of property, plant and equipment and its tax base	97,179	179,484
Deductible temporary differences in respect of expenses	139,521	(133,171)
Taxable temporary differences in respect of income	(127,596)	301,004
Acquisition of a subsidiary	–	62,809
Unabsorbed capital allowances	–	(2,113)
Unutilised tax losses	(13,179)	–
	95,925	408,013

The estimated amount of temporary differences for which no deferred tax assets are recognised in the financial statements are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Unutilised tax losses	9,827,497	7,358,349	3,063,417	1,559,296
Unabsorbed capital allowances	1,318,493	1,202,267	1,072,355	1,057,099
Deductible temporary differences in respect of expenses	75,941	47,325	46,539	47,325
Differences between the carrying amounts of property, plant and equipment and their tax base	80,086	25,399	5,104	(35,277)
	11,302,017	8,633,340	4,187,415	2,628,443

NOTES TO THE FINANCIAL STATEMENTS [continued]

24. TRADE PAYABLES

The normal trade credit term granted by the trade payables to the Group ranges from 30 days to 90 days (2016: 30 days to 90 days).

Included in trade payables of the Group is an amount owing to an associate of RM1,825,850 (2016: RM3,395,922) which is on normal trade credit term.

The foreign currency exposure profiles of trade payables are as follows:

	Group	
	2017	**2016**
	RM	**RM**
United States Dollar	62,004	351,082
Renminbi	260,975	409,850
Singapore Dollar	–	33,150

25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2017	**2016**	**2017**	**2016**
	RM	**RM**	**RM**	**RM**
Other payables	4,596,730	4,667,656	634	–
Deposits	18,125	17,125	–	–
GST payable	238,588	76,521	–	5,999
Accruals	4,809,478	3,425,887	395,942	329,681
	9,662,921	8,187,189	396,576	335,680

Included in other payables of the Group is an amount of RM4,361,647 (2016: RM4,361,647) being the land owner entitlements.

NOTES TO THE FINANCIAL STATEMENTS [continued]

26. PROVISIONS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Provision for warranty costs				
At beginning of the financial year	464,640	541,366	–	–
Addition	43,354	417,288	–	–
Reversal	(464,640)	(493,640)	–	–
Utilisation	–	(374)	–	–
At end of the financial year	43,354	464,640	–	–
Provision for employee benefits				
At beginning of the financial year	128,573	128,133	47,325	35,489
Addition	210,030	159,683	45,756	17,533
Reversal	–	(159,243)	–	(5,697)
Utilisation	(205,984)	–	(46,542)	–
At end of the financial year	132,619	128,573	46,539	47,325
	175,973	593,213	46,539	47,325

Provision for warranty costs is in respect of products sold under warranty by subsidiaries. Provision is recognised for expected warranty claims on products sold based on past experience. Assumptions used to calculate the provision for warranties were based on the sales made and best estimate by the directors of the Group.

Provision for employee benefits is in respect of provision for short term accumulated compensated absences for employees. The provision is made based on the number of days of outstanding compensated absences of each executive director and employees multiplied by their respective salary/wages as at year end.

27. BANK BORROWINGS

	Group 2017 RM	Group 2016 RM
Current		
Secured		
Bank overdrafts	796,122	374,043

The bank overdrafts facilities is repayable on demand and within one year respectively, and bear interest at rates ranging from 4.10% to 9.15% (2016: 4.10% to 7.60%) per annum, secured and supported by the followings:

(a) cash deposits with licensed banks of certain subsidiaries;
(b) joint and several guarantee by the directors; and
(c) corporate guarantees of the Company.

NOTES TO THE FINANCIAL STATEMENTS [continued]

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following:

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Cash at banks and in hand	19	4,254,656	7,525,612	222,950	910,195
Cash deposits with licensed banks	18	8,116,804	5,698,558	–	–
		12,371,460	13,224,170	222,950	910,195
Bank overdrafts	27	(796,122)	(374,043)	–	–
		11,575,338	12,850,127	222,950	910,195
Cash deposits with licensed banks under lien	18	(8,116,804)	(5,698,558)	–	–
		3,458,534	7,151,569	222,950	910,195

29. REVENUE

Revenue of the Group and of the Company comprise the following:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Sales of goods and services	19,948,708	23,893,547	–	–
Contract revenue	12,773,957	14,027,867	–	–
Property development	480,059	9,270,959	–	–
Management fees	224,640	224,640	983,940	1,427,940
	33,427,364	47,417,013	983,940	1,427,940

30. COST OF SALES

Cost of sales of the Group comprise the following:

	Group	
	2017 RM	2016 RM
Cost of sales of goods and services	16,416,480	19,962,823
Contract costs	11,020,652	9,215,081
Cost of sales of property development units	598,981	7,226,863
	28,036,113	36,404,767

NOTES TO THE FINANCIAL STATEMENTS
[continued]

31. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is arrived at after charging/(crediting):

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Amortisation of intangible assets	1,019,647	1,202,020	–	–
Auditors' remuneration:				
- Statutory audit	148,003	147,627	55,000	43,000
- Other services	6,000	10,500	6,000	10,500
Deposits written off	2,010	–	2,010	–
Depreciation of property, plant and equipment	890,959	856,543	48,387	66,995
Distribution income from fixed income funds	(307,956)	(399,142)	–	–
Gain on disposal of property, plant and equipment	(99,527)	(53,951)	–	–
Gain on disposal of intangible assets	(48,967)	–	–	–
Impairment loss on:				
- other receivables	6,180	–	6,180	–
- investment in subsidiary	–	–	452,163	–
- trade receivables	–	358,289	–	–
Independent Non-Executive Directors' fees:				
- Directors of the Company	166,000	152,000	166,000	152,000
- Directors of the subsidiary	36,000	36,000	–	–
Interest expense:				
- finance lease payables	11,805	22,005	–	–
- bank overdrafts	27,029	30,540	–	–
- others	7,280	–	–	–
Interest income	(256,778)	(256,550)	(8,229)	–
Loss on foreign exchange:				
- realised	34,726	128,842	–	–
- unrealised	94,436	47,072	–	–
Net (reversal)/provision for employee benefits	4,046	440	(786)	11,836

NOTES TO THE FINANCIAL STATEMENTS [continued]

31. (LOSS)/PROFIT BEFORE TAX (CONTINUED)

(Loss)/Profit before tax is arrived at after charging/(crediting): (Continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Personnel expenses (including key management personnel):				
- Contribution to Employees Provident Fund and social security contribution	534,323	548,058	118,396	109,377
- Salaries and others	5,018,850	5,052,399	1,141,897	1,053,895
Written off of:				
- Intangible assets	241,356	–	–	–
- Property, plant and equipment	4,853	–	–	–
Rental income	(91,500)	(212,900)	(54,000)	(54,000)
Rental of premises	517,656	512,650	135,900	132,400
Net reversal of warranty costs	(421,286)	(76,726)	–	–
Share of result of associates	530,574	(232,979)	–	–
Waiver of amounts owing by subsidiaries	–	–	4,280	4,280

Included in personnel expenses are the aggregate amounts of remuneration received and receivable by the Executive Directors of the Company and of its subsidiaries during the financial year as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive Directors of the Company:				
- fees	12,000	12,000	12,000	12,000
- other emoluments	697,222	668,890	420,593	404,966
Executive Directors of the subsidiaries:				
- other emoluments	860,443	702,584	–	–

Estimated monetary value of the Executive Directors' benefits-in-kind in respect of utilisation of the Group's and of the Company's property, plant and equipment are as follows:

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive Directors of the:				
- Company	19,175	31,150	19,175	31,150
- Subsidiaries	27,242	23,500	–	–

NOTES TO THE FINANCIAL STATEMENTS
[continued]

32. TAX (CREDIT)/EXPENSE

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Current tax expense:				
Malaysian income tax:-				
- Current year	59,576	864,996	–	–
- Over provision in prior financial year	21,454	(62,497)	–	–
	81,030	802,499	–	–
Real property gain tax:				
- Over provision in prior finanical year	–	(34)	–	–
	81,030	802,465	–	–
Deferred tax expense (Note 23):				
- Relating to origination and reversal of temporary differences	(211,292)	(276,038)	–	–
- Under provision in prior financial year	(100 ,796)	73,343	–	–
	(312,088)	(202,695)	–	–
Tax (credit)/expense	(231,058)	599,770	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2016: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

32. TAX (CREDIT)/EXPENSE (CONTINUED)

The reconciliation from the tax amount at statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
(Loss)/Profit before tax	(3,202,096)	1,052,300	(1,603,189)	(476,805)
Tax at the Malaysian statutory income tax rate of 24% (2016: 24%)	(768,503)	252,552	(384,765)	(114,433)
Effect of different tax rate in foreign jurisdictions	10,852	24,678	–	–
Tax effect of non-taxable income	(114,600)	(124,066)	(1,700)	(4,368)
Tax effect of non-deductible expenses	54,279	223,352	12,312	35,825
Deferred tax assets not recognised during the financial year	640,482	228,812	374,153	82,976
Deferred tax recognised at different tax rate	25,774	(50)	–	–
Real property gain tax	–	(34)	–	–
Tax effect arising from tax exempt income under the Promotion of Investments (Amendments) Act, 1997	–	(7,700)	–	–
Utilisation of previously unrecognised deferred tax assets	–	(8,620)	–	–
(Over)/Under provision in prior financial year:-				
- current tax expense	21,454	(62,497)	–	–
- deferred tax expense	(100,796)	73,343	–	–
Tax (credit)/expense	(231,058)	599,770	–	–

33. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share of the Group is calculated based on the (loss)/profit attributable to owners of the Company of RM2,907,963 (2016: RM256,678) divided by the weighted average number of ordinary shares in issue during the financial year of 49,277,066 (2016: 49,277,066) ordinary shares.

The diluted (loss)/earnings per share is equivalent to the basic (loss)/earnings per share as the Company does not have any dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

34. RELATED PARTY DISCLOSURES

(a) Identity of related parties

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

The Group and the Company have a related party relationship with its subsidiaries, associates and key management personnel.

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:

	Company	
	2017 RM	**2016 RM**
Management fees received/receivable from subsidiaries	(759,300)	(1,203,000)
Rental of premises paid/payable to a subsidiary	33,900	33,900
Rental of premises received/receivable from a subsidiary	(48,000)	(48,000)
Waiver of amounts owing by subsidiaries	4,280	4,280

The transactions with associates are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Purchases from an associate	4,410,500	6,582,500	–	–
Sales to associates	(1,867,771)	(2,203,728)	–	–
Services acquired from an associate	139,560	207,020	–	–
Management fees paid/payable to an associate	–	3,222	–	–
Management fees received/ receivable from associate	(224,640)	(224,640)	(224,640)	(224,640)
Rental of premises paid/ payable to an associate	12,000	12,000	–	–
Rental of premises received/ receivable from associates	(85,500)	(97,500)	–	–

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 13, 16, 17 and 24.

The transactions with a company in which a shareholder and director of a subsidiary has interest:

	Group	
	2017 RM	**2016 RM**
Sales to a related company	–	4,228

NOTES TO THE FINANCIAL STATEMENTS
[continued]

34. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing and controlling the activities of the entities, directly or indirectly, including any directors of the Group.

The remuneration of key management personnel including directors are as follows:

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Directors' fee	42,000	42,000	6,000	6,000
Short term employee benefits (including benefits-in-kind)	1,862,971	1,559,447	601,325	587,350
Post-employment benefits	178,114	187,265	70,937	67,830
	2,083,085	1,788,712	678,262	661,180

35. CORPORATE GUARANTEES

	Group		Company	
	2017 RM	**2016 RM**	**2017 RM**	**2016 RM**
Secured				
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to:				
- Associate	625,195	960,892	625,195	960,892
- Subsidiary	–	–	239,795	196,952
	625,195	960,892	864,990	1,157,844

NOTES TO THE FINANCIAL STATEMENTS
[continued]

36. SEGMENT INFORMATION

For management purposes, the Group is organised into operating segments based on their products and services. The Group's managing director reviews the information of each operating segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segment in accordance with MFRS 8 is as follows:

Information and Communication Technology	Inclusive of Telematics and navigation products and services, telecommunication products, Geographical Information System (GIS) and related products & services.
Telecommunications, Infrastructure and Services	Inclusive of installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.
Property development	Undertakes the development of commercial and residential properties.
Others	Mainly comprise investment holding and provision of management services, property investment and general trading, neither which are of a sufficient size to be reported separately.

Segment revenue, results, assets and liabilities include items directly attributable to segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue, interest-bearing loans and expenses and tax assets, liabilities and expense.

Segment revenue and results
The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before taxation of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets
Segment assets are measured based on all assets (including goodwill) of the segment.

Segment liabilities
Segment liabilities are measured based on all liabilities of the segment.

36. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Property Development RM	Others RM	Eliminations RM	Consolidated RM
2017							
Segment Revenue							
External revenue		19,948,708	12,773,957	480,059	224,640	–	33,427,364
Inter-segment revenue	(i)	2,121,131	–	–	759,300	(2,880,431)	–
Total revenue		22,069,839	12,773,957	480,059	983,940	(2,880,431)	33,427,364
Segment Results							
Interest income		72,527	59,580	23,711	100,960	–	256,778
Interest expense		(39,137)	(6,352)	(625)	–	–	(46,114)
Depreciation of property, plant and equipment		(680,916)	(160,986)	–	(49,057)	–	(890,959)
Amortisation of intangible assets		(1,019,647)	–	–	–	–	(1,019,647)
Share of results of associates		(437,671)	(92,903)	–	–	–	(530,574)
Other non-cash items	(ii)	(152,822)	(87,412)	(3,750)	(233,913)	–	(477,897)
Segment profit/(loss) before taxation		(1,893,324)	167,088	(514,213)	(961,647)	–	(3,202,096)
Tax credit/(expense)		260,654	(70,951)	41,355	–	–	231,058
Segment Assets							
Additions to non-current assets	(iii)	970,777	261,155	–	17,029	–	1,248,961
Total segment assets		18,406,137	14,083,488	15,188,684	13,304,106	–	60,982,415
Segment Liabilities							
Total segment liabilities		5,708,930	6,205,215	5,471,740	646,216	–	18,032,101

36. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment (Continued)

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Property Development RM	Others RM	Eliminations RM	Consolidated RM
2016							
Segment Revenue							
External revenue		23,893,547	14,027,867	9,270,959	224,640	–	47,417,013
Inter-segment revenue	(i)	1,585,985	–	–	1,203,300	(2,789,285)	–
Total revenue		25,479,532	14,027,867	9,270,959	1,427,940	(2,789,285)	47,417,013
Segment Results							
Interest income		69,551	57,025	10,430	119,544	–	256,550
Interest expense		(37,161)	(15,034)	(350)	–	–	(52,545)
Depreciation of property, plant and equipment		(526,630)	(143,732)	–	(186,181)	–	(856,543)
Amortisation of intangible assets		(248,207)	–	(953,813)	–	–	(1,202,020)
Share of results of associates		222,896	10,083	–	–	–	232,979
Other non-cash items	(ii)	(72,994)	304,946	(288)	(355,682)	–	(124,018)
Segment profit/(loss) before taxation		(1,151,707)	2,436,516	220,329	(452,838)	–	1,052,300
Tax credit/(expense)		152,194	(666,197)	(82,040)	(3,727)	–	(599,770)
Segment Assets							
Additions to non-current assets	(iii)	509,716	259,475	–	17,541	–	786,732
Total segment assets		22,375,642	13,059,774	19,491,440	12,960,726	–	67,887,582
Segment Liabilities							
Total segment liabilities		8,559,740	4,804,030	8,011,015	610,978	–	21,985,763

NOTES TO THE FINANCIAL STATEMENTS [continued]

36. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment (Continued)

(i) Inter-segment revenue are in respect of sales between the segments which are charged at cost plus a percentage profit mark-up. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

(ii) Other material non-cash items consist of the following items as presented in the respective notes:

	Group	
	2017 RM	2016 RM
Distribution income from fixed income funds	(307,956)	(399,142)
Gain on disposal of property, plant and equipment	(99,526)	(53,951)
Loss on foreign exchange - unrealised	94,436	47,072
Impairment loss on trade receivables	–	358,289
Impairment loss on other receivables	6,180	–
Net provision for employee benefits	4,046	440
Net reversal of warranty costs	(421,286)	(76,726)
Amount written off:		
- intangible assets	241,356	–
- property, plant and equipment	4,853	–
	(477,897)	(124,018)

(iii) Additions to non-current assets consist of:

	Group	
	2017 RM	2016 RM
Property, plant and equipment	1,248,961	747,626
Intangible assets	–	39,106
	1,248,961	786,732

(b) Geographical segment

Revenue based on geographical location of the Group's customers are as follows:

	Group	
	2017 RM	2016 RM
Malaysia	33,420,015	47,286,031
Singapore	7,349	75,928
China	–	55,054
	33,427,364	47,417,013

NOTES TO THE FINANCIAL STATEMENTS [continued]

36. SEGMENT INFORMATION (CONTINUED)

(b) Geographical segment (Continued)

Non-current assets other than financial instruments based on geographical location of the Group are as follows:

	Malaysia RM	Singapore RM	Total RM
2017			
Property, plant and equipment	2,036,951	–	2,036,951
Intangible assets	581,337	–	581,337
Investment property	168,717	–	168,717
	2,787,005	–	2,787,005
2016			
Property, plant and equipment	1,853,313	–	1,853,313
Intangible assets	1,578,693	662,307	2,241,000
Investment property	168,717	–	168,717
	3,600,723	662,307	4,263,030

(c) Information about major customers

Revenue from 3 (2016: 3) major customers of the Group amounted to RM13,436,065 (2016: RM17,392,054).

37. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Group'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 shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 November 2017 and 30 November 2016.

The Company and its subsidiaries are not subject to any externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

37. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Net debts comprise borrowings (including finance lease payables) less cash and cash equivalents (excluding bank overdrafts) whilst total capital is the total equity of the Group. The gearing ratio as at 30 November 2017 and 30 November 2016, which is within the Group's objectives of capital management are as follows:

	Group	
	2017 RM	2016 RM
Total interest-bearing borrowings	1,293,252	663,005
Less: Cash and cash equivalents	(12,371,460)	(13,224,170)
Total net cash	(11,078,208)	(12,561,165)
Total equity	42,950,314	45,901,819
Debt to equity ratio (%)	*	*

* Not meaningful as the Group is in a net cash position.

(b) Categories of financial instruments

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Financial assets				
Fair value through profit or loss				
- Fixed income funds	11,621,125	8,851,546	1,765,919	253,020
Loan and receivables				
-Trade, other receivables and deposits	18,816,263	26,723,332	55,090	63,280
- Amounts owing by subsidiaries	–	–	5,313,284	7,052,704
-Amounts owing by associates	1,666,562	2,883,161	197,942	246,832
-Cash deposits with licensed banks	8,116,804	5,698,558	–	–
- Cash and bank balances	4,254,656	7,525,612	222,950	910,195
	32,854,285	42,830,663	5,789,266	8,273,011

NOTES TO THE FINANCIAL STATEMENTS
[continued]

37. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of financial instruments (Continued)

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Available-for-sale				
- Transferable club membership	250,000	250,000	-	250,000
Financial liabilities				
Other financial liabilities				
- Trade payables	6,678,189	11,762,621	–	–
- Other payables, deposits and accruals	9,424,333	8,110,668	396,576	329,681
- Amount owing to associates	–	219,441	–	–
- Bank borrowings	796,122	374,043	–	–
- Finance lease payables	497,130	288,962	–	–
	17,395,774	20,755,735	396,576	329,681

(c) Fair values of financial instruments

The carrying amounts of financial instruments of the Group and of the Company as at the end of the financial year approximate their fair values.

(d) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

(i) Cash and cash equivalents, trade and other receivables and payables

The carrying amounts of cash and cash equivalents, trade and other receivables and payables are reasonable approximation of fair values due to relatively short term nature of these financial instruments.

(ii) Other investments

The fair value of fixed income funds is determined by reference to the redemption price at the reporting date.

The fair value of the transferable club membership is determined by reference to comparable market value of similar investment.

(iii) Borrowings

The carrying amounts of the current portion of borrowings are reasonable approximation of fair value due to the insignificant impact of discounting.

The fair value of finance lease payables is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

NOTES TO THE FINANCIAL STATEMENTS [continued]

37. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Methods and assumptions used to estimate fair value (Continued)

(iii) Borrowings (Continued)

The carrying amounts of financial assets and liabilities recognised in the financial statements approximate their fair values except as follows:

	Group	
	Carrying Amount RM	**Fair Value RM**
2017		
Financial Liabilities		
Finance lease payables	497,130	468,617
2016		
Financial Liabilities		
Finance lease payables	288,962	284,598

38. FAIR VALUE HIERARCHY

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
[continued]

38. FAIR VALUE HIERARCHY (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group									
30 November 2017									
Financial assets									
Financial assets at fair value through profit or loss									
- Fixed income funds	11,621,125	11,621,125	–	–	11,621,125	–	–	–	–
Available-for-sale financial assets									
- Transferable club membership	250,000	250,000	–	–	250,000	–	–	–	–
Financial liabilities									
Other financial liabilities									
- Finance lease payables	497,130	–	–	–	–	–	–	468,617	468,617

38. FAIR VALUE HIERARCHY (CONTINUED)

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments: (Continued)

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group									
30 November 2016									
Financial assets									
Financial assets at fair value through profit or loss									
- Fixed income funds	8,851,546	8,851,546	–	–	8,851,546	–	–	–	–
Available-for-sale financial assets									
- Transferable club membership	250,000	250,000	–	–	250,000	–	–	–	–
Financial liabilities									
Other financial liabilities									
- Finance lease payables	288,962	–	–	–	–	–	–	284,598	284,598

NOTES TO THE FINANCIAL STATEMENTS
[continued]

38. **FAIR VALUE HIERARCHY (CONTINUED)**

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments: (Continued)

	Carrying amount	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value			
		Fair value				Fair value			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Company									
30 November 2017									
Financial assets									
Financial assets at fair value through profit or loss									
- Fixed income funds	1,765,919	1,765,919	–	–	1,765,919	–	–	–	–
30 November 2016									
Financial assets									
Financial assets at fair value through profit or loss									
- Fixed income funds	253,020	253,020	–	–	253,020	–	–	–	–
Available-for-sale financial assets									
- Transferable club membership	250,000	250,000	–	–	250,000	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS [continued]

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market risk.

The Group's and the Company's financial risk management policy seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are discussed below.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables and the maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position. For other financial assets, the Group and the Company minimise credit risk by dealing with high credit rating counterparties.

The Company is also exposed to credit risk arising from corporate guarantee provided in respect of banking facilities granted to the associate and subsidiary.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

<u>Financial guarantee</u>

The Group and the Company provide secured financial guarantees to banks in respect of banking facilities granted to its subsidiary and associate.

The Group and the Company monitor on an ongoing basis the repayments made by the subsidiaries and an associate and their financial performance.

The Group and the Company's maximum exposure to credit risk amounts to RM625,195 and RM864,990 (2016: RM960,892 and RM1,157,844) respectively, representing the outstanding credit facilities of the subsidiaries and an associate guaranteed by the Group and the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries and associate would default on their repayment.

The financial guarantee has not been recognised as the fair value on initial recognition was immaterial since the financial guarantees provided by the Group and the Company did not contribute towards credit enhancement of the subsidiaries' and associate's borrowings in view of the securities pledged by the subsidiaries and associate and it is unlikely that the subsidiaries and associate will default within the guarantee period.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk

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

The Group's and the Company's liquidity risk management policy is to manage its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. In addition, the Group and the Company maintain sufficient levels of cash and available banking facilities at a reasonable level to their overall debt position to meet their working capital requirement.

Analysis of financial instruments by remaining contractual maturities

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

2017	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
Group						
Financial liabilities:						
Trade payables	6,678,189	6,678,189	6,678,189	–	–	–
Other payables, deposits and accruals	9,424,333	9,424,333	9,424,333	–	–	–
Finance lease payables	497,130	552,695	162,619	236,020	154,056	–
Bank overdrafts	796,122	796,122	796,122	–	–	–
Financial guarantee*	–	625,195	625,195	–	–	–
	17,395,774	18,076,534	17,686,458	236,020	154,056	–
Company						
Financial liabilities:						
Other payables and accruals	396,576	396,576	396,576	–	–	–
Financial guarantee*	–	864,990	864,990	–	–	–
	396,576	1,261,566	1,261,566	–	–	–

* The Group and the Company has given corporate guarantee to banks on behalf of associate and subsidiaries for banking facilities. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said associate and subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS [continued]

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profiles of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations. (Continued)

2016	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 to 2 years RM	2 to 5 years RM	Over 5 years RM
Group						
Financial liabilities:						
Trade payables	11,762,621	11,762,621	11,762,621	–	–	–
Other payables, deposits and accruals	8,110,668	8,110,668	8,110,668	–	–	–
Amount owing to associates	219,441	219,441	219,441	–	–	–
Finance lease payables	288,962	311,559	145,098	145,098	21,363	–
Bank overdrafts	374,043	374,043	374,043	–	–	–
Financial guarantee*	–	960,892	960,892	–	–	–
	20,755,735	21,739,224	21,572,763	145,098	21,363	–
Company						
Financial liabilities:						
Other payables and accruals	335,680	335,680	335,680	–	–	–
Financial guarantee*	–	1,157,844	–	–	–	–
	335,680	1,493,524	335,680	–	–	–

* The Group and the Company has given corporate guarantee to banks on behalf of associate and subsidiaries for banking facilities. The potential exposure of the financial guarantee is equivalent to the amount of the banking facilities being utilised by the said associate and subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS [continued]

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from interest bearing financial assets and financial liabilities which include cash deposits, bank borrowings and finance lease payables.

Interest bearing financial assets include cash deposits that are short term in nature and are not held for speculative purposes but are placed to satisfy conditions for banking facilities granted to the subsidiaries and to earn a better yield than cash at banks. The cash deposits placed with licensed banks at fixed rate expose the Group to fair value interest rate risk.

Interests bearing financial liabilities include finance lease payables and bank overdrafts.

Borrowings at floating rate amounting to RM796,122 (2016: RM374,043) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM497,130 (2016: RM288,962) expose the Group to fair value interest rate risk.

The Group manages its interest rate risk exposure by maintaining a prudent mix of fixed and floating borrowings rate. The Group also monitors the interest rate on borrowings closely to ensure that the borrowings are maintained at favourable rates.

Sensitivity analysis for interest rate risk

The Group and Company believes that no reasonably possible changes in the interest rate could affect the results of the Group and the Company materially as the impact is not significant.

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases and direct costs that are denominated in currencies other than the respective functional currencies of Group entities, primarily RM. The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD"), Renminbi ("RMB") and Singapore Dollar ("SGD").

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currencies balances (mainly in USD, RMB and SGD) amount to RM64,572 (2016: RM672,728).

NOTES TO THE FINANCIAL STATEMENTS
[continued]

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the USD, RMB and SGD, with all other variable held constant on the Group's profit for the financial year.

	Changes in rate	Effect on (loss)/ profit for the financial year RM
30 November 2017		
- USD	+15%	2,428
	-15%	(2,428)
- RMB	+15%	33,252
	-15%	(33,252)
- SGD	+15%	3,525
	-15%	(3,525)
30 November 2016		
- USD	+15%	(21,128)
	-15%	21,128
- RMB	+15%	(4,705)
	-15%	4,705
- SGD	+15%	14,890
	-15%	(14,890)

(e) Market risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its investment in quoted unit trusts and investments in quoted shares listed on the Bursa Malaysia Securities Berhad. These instruments are classified as held for trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the price of the fixed income fund had been 1% higher/lower, with all other variables held constant, the Group's loss net of tax would decrease/increase by RM88,321 (2016: profit of RM67,272) as a result of increase/decrease in the fair value of financial instruments classified as held for trading.

40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

On 8 December 2016, the Company via its wholly owned subsidiary, Amtel Cellular Sdn. Bhd. acquired 60,000 ordinary shares, representing the remaining 30% equity interest in Amtel Pte. Ltd. ("APL") for a total cash consideration of SGD1.00 (RM3.13). Consequently, APL became a wholly owned subsidiary of the Company.

NOTES TO THE FINANCIAL STATEMENTS
[continued]

41. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) On 18 December 2017, the Company announced the disposal of the entire equity interest in Amtel Engineering Sdn. Bhd., a wholly owned subsidiary of the Company to Lokatech Sdn. Bhd.. The disposal was completed on 9 January 2018 with a total cash consideration of RM1,110,026.

(b) On 5 March 2018, the Company announced the acquisition of the remaining 60% equity interest in Amtel Network Sdn. Bhd. ("ANSB") by Amtel Resources Sdn. Bhd., a 76.92% owned subsidiary of the Company. This acquisition was completed on 5 March 2018 for a total cash consideration of RM135,000. Consequently, ANSB became an indirect subsidiary of the Company. The initial accaunting for the acquisition of ANSB in the consolidated financial statements of the Company is incomplete at the date of authorisation of these financial statements as the acquisition was only recently completed. As such, the information on the effect arising from the acquisition is not disclosed.

42. MATERIAL LITIGATION

On 4 September 2015, the Company announced that Amtel Cellular Sdn. Bhd. ("AMCSB"), the wholly owned subsidiary of the Company has on 2 September 2015 filed an application to the Shenzhen Luoho District People's Court ("Court") to seek judgment and claims against Shi Jian Bing ("SJB") due to SJB's failure to deliver the new navigation software engine within the prescribed timeline and a breach of contract pursuant to the Agreement dated 25 November 2013 made between AMCSB, SJB and Another Party ("AP").

AP had made an application earlier on 31 March 2015 to the Court to seek similar judgment and claims against SJB, in relation thereto AMCSB is a Joint-Plaintiff with AP against SJB in claiming including but not limited to the development costs of RMB1,677,569 together with interest thereon, the cost of legal proceedings and others as specified in the announcement dated 4 September 2015.

The first court hearing was held on 9 October 2015 and 10 October 2015 (continued hearing from day 1) at the Court. However no decision was formed by the Judge at the conclusion of the first trial.

AMCSB had on 26 June 2016 received the decisions and judgement from the Court in respect of AMCSB's claims against SJB as follows:

(i) The Court agreed that the Agreement entered between AMCSB, SJB and AP dated 25 November 2013 has been terminated;

(ii) That SJB was ordered to pay 40% of AMCSB's claim of RMB1,677,569.00 and 40% of AP's permitted claim of RMB400,878.32 amounting to RMB831,378.90 to AMCSB and AP;

(iii) That SJBs to immediately refrain from using, developing, disclosing, transferring or licensing and return all relevant materials for the purpose of software development; and

(iv) That the claim for cost of legal proceedings against SJB is unsuccessful.

On 15 July 2016, AMCSB's solicitor in People's Republic of China have successfully filed an appeal to the Court's decision to seek for higher compensation after taking into consideration the advice by AMCSB's Solicitor in People's Republic of China. However, the Court had rejected this appeal on 4 July 2017 and upheld earlier decisions and judgements as stated in the court decision on 26 June 2016 stated above. The Board of Directors of AMCSB is now seeking advice and opinion from its solicitor on the next course of action and as at the date of authorisation of these financial statements, the Company is awaiting the advice from the solicitor on this matter.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 46 to 124, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2017 and of their financial performance and cash flows for the financial year then ended.

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

YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN
Director

DATO' KOID HUN KIAN
Director

Date: 19 March 2018

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, Dato' Koid Hun Kian, being the director primarily responsible for the financial management of Amtel Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements as set out on pages 46 to 124 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' KOID HUN KIAN
Director

Subscribed and solemnly declared at Puchong in the state of Selangor Darul Ehsan on 19 March 2018.

Before me,

NG SAY JIN (B-195)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Amtel Holdings Berhad, which comprise the statements of financial position as at 30 November 2017 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 46 to 124.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Equipment and intangible assets (Notes 4(i), 5 and 8 to the financial statements)

The Group has significant balances of equipment and intangible assets, amounting to RM967,755 and RM581,337 respectively relating to a loss making subsidiary. We focused on this area because the impairment assessment of the assets requires the application of significant judgement by the Group on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections which include future sales, cost of sales and operating expenses.

Our response:

Our audit procedures included, among others:

- obtaining an understanding of the relevant controls of the Group in respect of impairment assessment and evaluating the design and implementation of such controls;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness and achievability of the projections;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions that are expected to be more sensitive to the recoverable amount of the subsidiary.

INDEPENDENT AUDITORS' REPORT [continued]

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (Continued)

Group (Continued)

Revenue and cost of sales recognition (Notes 4(ii), 29 and 30 to the financial statements)

The Group recognised its services and construction contract revenue and corresponding cost of sales by reference to the percentage of completion at the reporting date. The percentage of completion is determined by reference to the costs incurred for work performed to date bear to the estimated total costs for each project. We focused on this area because significant judgement by the Group is required in the estimation of total project revenue and costs. The estimated total revenue and costs is affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on a sample of projects included, among others:

- obtaining an understanding of the relevant controls of the Group in respect of revenue and cost of sales recognised for contract activities and evaluating the design and implementation of such controls;
- challenging the Group's major assumptions by comparing to contractual terms and our assessments ;
- discussing the progress of the projects with the project manager to obtain an understanding of the basis on which the estimates are made; and
- checking the mathematical computation of the recognised revenue and corresponding cost of sales recognised during the financial year.

Company

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT [continued]

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT [continued]

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD (INCORPORATED IN MALAYSIA)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

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

- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lee Kong Weng
No. 02967/07/2019 J
Chartered Accountant

Kuala Lumpur
Date: 19 March 2018

LIST OF PROPERTIES
AS AT 30 NOVEMBER 2017

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 Storey Town House (Ground Floor) Corner Lot Vacant	Leasehold	Year 2101	1,078	31.3.2002	15	126,351
Plot No. 31 Phase 1B Kesuma Lakes C.T. 12115 Lot No. 771 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Bungalow land Vacant	Freehold	–	10,552	19.11.2002	–	168,717
TOTAL							295,068

ANALYSIS OF SHAREHOLDINGS
AS AT 21 FEBRUARY 2018

Issued Share Capital	:	RM29,245,803 comprising 49,277,066 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	1 vote per ordinary share (on a poll)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Holdings	%
1 - 99	426	16,785	0.03
100 - 1,000	260	199,363	0.41
1,001 - 10,000	1,230	3,782,076	7.68
10,001 - 100,000	215	6,619,687	13.43
100,001 - less than 5% of issued shares	50	22,925,130	46.52
5% and above of issued shares	3	15,734,025	31.93
Total	2,184	49,277,066	100

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 21 FEBRUARY 2018

	Direct Interest		Deemed Interest	
Name	No. of shares	%	No. of shares	%
Dato' Koid Hun Kian	8,086,088	16.41	3,717,937*	7.54
Hallmark Meadow Sdn. Bhd.	3,930,000	7.98	–	–
Simfoni Kilat Sdn. Bhd.	3,717,937	7.54	–	–

* Deemed interested by virtue of his interest in Simfoni Kilat Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

DIRECTORS' SHAREHOLDINGS AS AT 21 FEBRUARY 2018

	Direct Interest		Deemed Interest	
Name	No. of shares	%	No. of shares	%
Dato' Koid Hun Kian	8,086,088	16.41	5,563,003*	11.29
Tan Woon Huei	219,000	0.44	–	–
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	0.41	–	–
Siow Hock Lee	65,333	0.13	814,333*	1.65
Chew Yook Boo	–	–	–	–

* This includes shares held by spouse and/or child pursuant to Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS
AS AT 21 FEBRUARY 2018
[continued]

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS PER THE RECORD OF DEPOSITORS AS AT 21 FEBRUARY 2018

	Name of Shareholder	No. of shares	%
1.	Dato' Koid Hun Kian	8,086,088	16.41
2.	Hallmark Meadow Sdn. Bhd.	3,930,000	7.98
3.	Simfoni Kilat Sdn. Bhd.	3,717,937	7.54
4.	Kuan Ah Hock	2,400,000	4.87
5.	Leong Wai Cheng	2,342,600	4.75
6.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Sin Yong Lean	1,689,300	3.43
7.	Omega Charm Sdn. Bhd.	1,224,500	2.48
8.	SEG Capital Intelligence Sdn. Bhd.	1,186,000	2.41
9.	Koid Siang Loong	1,073,733	2.18
10.	Jurus Handal Sdn. Bhd.	1,068,500	2.17
11.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Ong Kim Ser	801,000	1.63
12.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kam Seng	800,000	1.62
13.	Chen Bee Yoke	781,000	1.58
14.	Tan Seow Eng	771,333	1.56
15.	Ng Weng Keong	746,800	1.52
16.	Tay Kok Choon	600,000	1.22
17.	Ong Khiam Cheang	500,000	1.01
18.	Amerjeet Singh A/L Naib Singh	486,600	0.99
19.	Lim Tuan Guan	473,000	0.96
20.	Lim Bee Chin	320,000	0.65
21.	Tan Hong Cheng	315,000	0.64
22.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)	291,999	0.59
23.	Ng Choy Yong	266,200	0.54
24.	Kang Khoon Seng	262,900	0.53
25.	Yong Mun Tong	255,000	0.52
26.	Goh Hock Leong	250,000	0.51
27.	Zeito Plastic Components Sdn. Bhd.	225,000	0.46
28.	Ong Yean Pheng	216,900	0.44
29.	Tan Woon Huei	209,000	0.42
30.	YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	0.41
Total		35,490,390	72.02

AMTEL HOLDINGS BERHAD (409449-A)

(Incorporated in Malaysia)

PROXY FORM

21ST ANNUAL GENERAL MEETING

(Before completing this form, please refer to the notes)

CDS Account No.	
No. of Shares held	

I/We ....

NRIC/Passport/Company No. ....

of ....

[FULL ADDRESS]

being a member/members of AMTEL HOLDINGS BERHAD ("Company"), do hereby appoint ....

....(NRIC/Passport No. ....)

of ....

or failing him/her ....

of ....

or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us on my/our behalf at the Twenty-First Annual General Meeting ("21st AGM") of the Company to be held at Langkawi Room, 1st Floor, Bukit Jalil Golf & Country Resort, Jalan Jalil Perkasa 3, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 9 May 2018 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the space provided below on how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her discretion.)

No.	Ordinary Resolution	For	Against
1.	Approval on the payment of Directors' fees for the financial year ended 30 November 2017.		
2.	Approval on the payment of Directors' benefits (other than Directors' fees) to the Directors which include meeting attendance allowance, medical expenses and other claimable benefits incurred from 1 January 2018 until the Company's next Annual General Meeting.		
3.	Re-election of YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin as Director pursuant to Article 80 of the Company's Articles of Association.		
4.	Re-election of Tan Woon Huei as Director pursuant to Article 80 of the Company's Articles of Association.		
5.	Re-appointment of Messrs. Baker Tilly Monteiro Heng as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6.	Retention of YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2017.		
7.	Retention of Mr. Siow Hock Lee as Independent Non-Executive Director in accordance with the Malaysian Code on Corporate Governance 2017.		
8.	Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

For appointment of more than one (1) proxy, percentage of shareholdings to be represented by the proxies:

No. of Shares	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

....

Signature/Common Seal of Member

Dated this .... day of 2018

....

Contact No. of Member

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 2 May 2018 shall be entitled to attend, speak and vote at this meeting.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll.*
4. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the meeting and that appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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AFFIX
STAMP

AMTEL HOLDINGS BERHAD (409449-A)
No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

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ANNUAL REPORT 2017

AMTEL HOLDINGS BERHAD (409449-A)
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