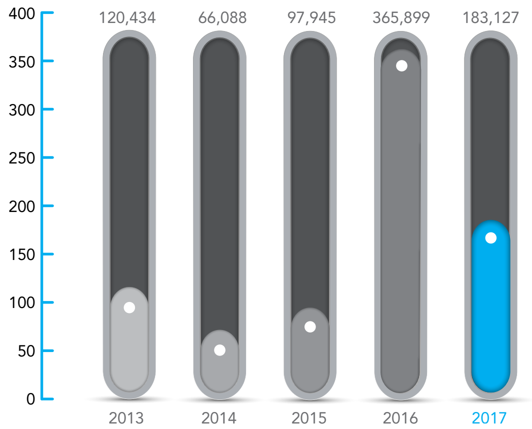
Vivocom Intl Holdings Berhad
(596299-D)

ANNUAL REPORT 2017

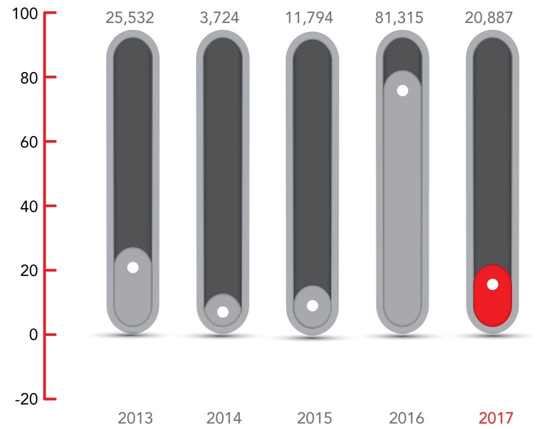
CONTENTS

Financial Highlights

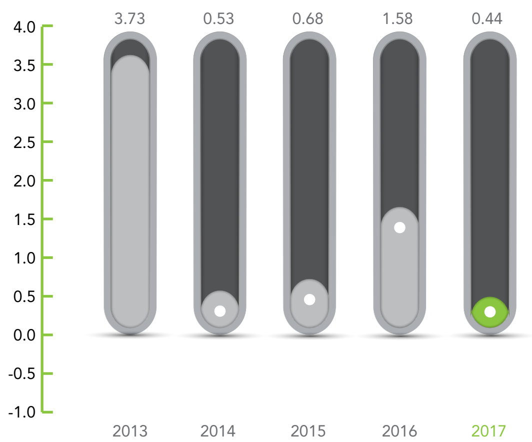
REVENUE (RM'000)



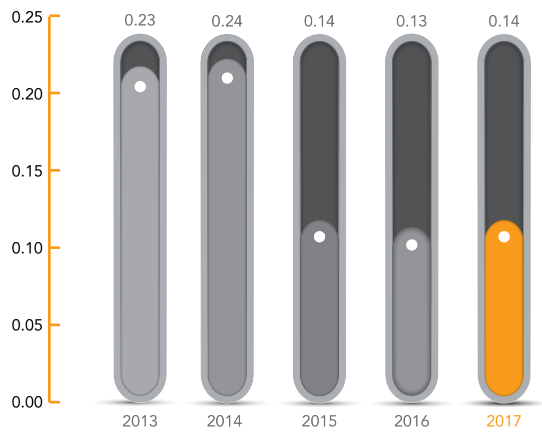
PROFIT BEFORE TAX / (LOSS BEFORE TAX) (RM'000)



BASIC EARNINGS / (LOSS) PER SHARE (SEN)



NET ASSETS PER SHARE ATTRIBUTED TO EQUITY HOLDERS (RM)



Five Years Group Financial Summary

	FYE 31.12.2013	FYE 31.12.2014	FYE 31.12.2015	FYE 31.12.2016	FYE 31.12.2017
FINANCIAL RESULTS (RM'000)					
Revenue	120,434	66,008	97,945	365,899	183,127
Profit before tax / (Loss before tax)	25,532	3,724	11,794	81,315	20,887
Profit/(Loss) attributable to equity holders	26,224	3,703	8,790	49,402	14,509
KEY BALANCE SHEET DATA (RM'000)					
Total Assets	237,400	217,982	412,873	604,311	609,690
Total Liabilities	73,608	50,487	83,384	151,783	115,555
Net assets attributable to equity holders	163,792	167,495	321,834	433,408	467,691
No. of shares in issue at year end	702,254,261	702,254,261	2,340,249,203	3,234,221,413	3,393,721,413
SHARES INFORMATION					
Basic earnings/(loss) per share (sen)	3.73	0.53	0.68	1.58	0.44
Net assets per share attributable to (RM) equity holders	0.23	0.24	0.14	0.13	0.14

Chairman & Management Discussion and Analysis Statement

Dear Shareholders, On behalf of the Board of Directors of Vivocom Intl Holdings Berhad, I hereby present the financial and operation performance of Vivocom Intl Holdings Berhad (Vivocom) for the financial year ended 31 Dec 2017.

Business Operation

Vivocom is a public company listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa").

The Group was established on 8 October 2012 when Instacom Engineering Sdn Bhd completed the restructuring and reverse take-over of I-Power Berhad and subsequently changed its name to Instacom Group Berhad.

In 2015, the Group diversified into the construction and aluminium design and fabrication industries when it acquired Neata Aluminium (Malaysia) Sdn Bhd and Vivocom Enterprise Sdn Bhd.

The listed holding company then changed to its present name, Vivocom Intl Holdings Berhad, to strengthen the Group's brand image and to better reflect the Group's new focus and aspiration to be a regional construction group.

At present, the Group core activities comprised construction, aluminium design and fabrication, and telecommunication engineering services.

Financial Performance

The Group revenue is derived from Construction, Aluminium and Telecommunication segments.

For FYE 2017, the Group recorded profit before tax of RM 20.89 million on the back of RM183.13 million in revenue, as compared to profit before tax RM 81.31 million on the back on RM 365.90 million in revenue in FYE 2016, a drop of 74.3%. The significant drop was due to slower progress billing in the construction segment and lower work orders received and the delay in award and implementation in telecommunication segment.

Chairman & Management Discussion and Analysis Statement (Cont'd)

The construction segment had recorded RM105.14 million revenue in FYE 2017 as compared to RM269.82 million in FYE 2016. However, the management believe the work progress and billing will resume its pace in FYE 2018. In addition, the construction segment had secured sizeable projects during FYE 2017 which will continue generating revenue for the Group in the next few years.

The aluminium segment performed well in FYE 2017 with an increase revenue of RM10.19 million from FYE 2016 on top of more project wins in FYE 2017 which will contribute positively to the Group's revenue.

Telecommunication segment reported RM22.32 million revenue for FYE 2017, a drop of RM28.29 million from FYE 2016.

For the FYE 31 December 2017, the Group provided for impairment amounting to RM6.38 million on the consolidated goodwill allocated to its investment in Instacom Engineering Sdn Bhd. The impairment was provided as the cash generating units in Instacom Engineering were unable to justify its full carrying value due to uncertainties in the outlook for the telco engineering services segment for the next five (5) years.

Revenue by Segment	2017 RM'000	2016 RM'000
Telco	22,323	50,608
Aluminium	55,659	45,468
Construction	105,144	269,822

Telco

The Telco segment contributed 12.2% of the total revenue of the Group for FYE 2017. The decrease in revenue for the telco segment is due to lower work orders received and the delay in award and implementation of the next phase of the USP project under the Malaysian Communications and Multimedia Commissions.

Aluminium

For FYE 2017, the Aluminium segment contributed 30.4% of the total revenue. The increase in revenue for the current year is mainly attributable to higher project wins and more aggressive roll-out in 2017 as compared to FYE 2016.

Construction

The Construction segment contributed 57.4% of the total revenue for the FYE 2017. The construction segment clocked in high revenue in 2016 due to the aggressive roll-out of projects to clear the backlogs. In FYE 2017 however, progress billing has slowed down and anticipated to resume its pace in FYE 2018 and 2019.

Chairman & Management Discussion and Analysis Statement (Cont'd)

Corporate Developments

The Company had on 27 July 2017 entered into a conditional share subscription agreement with Macquarie Bank Limited ("Macquarie") in relation to the issuance and allotment of up to 323,000,000 shares ("Placement Shares") via the approval from the shareholders at the last annual general meeting ("AGM") convened on 8 June 2017, pursuant to Section 75 and Section 76 of the Companies Act 2016, whereby the Board has been authorised to issue new shares in Vivocom provided that the number of new Vivocom shares does not exceed 10% of the total number of issued shares of the Company. The placement is mainly for the purpose of operation and working capital. For FYE 2017, Macquarie has subscribed 159,500,000 ordinary shares of the Company for an aggregated sum of RM19,774,450.

On 22 February 2018, UOB Kay Hian Securities (M) Sdn Bhd announced on behalf of the Board of Directors of the Company that the Company proposed to undertake a renounceable rights issue of up to 3,010,706,070 new ordinary shares in Vivocom on the basis of 2 Rights Shares for every 3 existing Vivocom shares held together with up to 1,505,353,035 free detachable warrants ("Warrant(s) E") on the basis of 1 Warrant E for every 2 Rights Shares subscribed for, on an entitlement date to be determined and announced later. The Board, after due consideration of the various options available as well as the capital structure of the Company, is of the opinion that the Proposed Rights Issue with Warrants is the most appropriate means of raising funds as it enables the Company to raise funds without incurring interest expense as compared to bank borrowings and will strengthen Vivocom Group's financial position with enhanced shareholders' funds which is expected to facilitate the continuous long term growth and expansion plans of Vivocom Group.

Industry Outlook and Group Prospect

The Malaysian economy is projected to continue its strong growth momentum with real gross domestic product expanding between 5% and 5.5% in 2018. Growth will be mainly driven by resilient domestic demand amid favourable external sector. The positive growth momentum will continue from better global growth on to domestic economic activity.

The construction sector is projected to grow 7.5%, primarily supported by the ongoing civil engineering infrastructure projects such as East Coast Rail Link, MRT SSP line, Electrified Double Track Gemas - Johor Bahru, SPE, Pan Broneo Highway and Bokor Central Processing Platform. The residential subsector is expected to expand further with several new planned townships by private developers. In addition, the subsector will also benefit from various affordable housing programmes by the Government. The non-residential subsector is forecast to grow moderately following property overhang, particularly in the shops segment.

The civil engineering subsector continued to record a double digit growth of 13.7% supported by major infrastructure projects under the Eleventh Malaysia Plan. Among the rail projects were Mass Rapid Transit (MRT) Sungai Buloh- Serdang- Putrajaya (SSP) line and Electrified Double Track Gemas – Johor Bahru. In addition, growth of the subsector was further supported by construction and upgrading of roads such as Setiawangsa – Pantai Expressway (SPE) and Pan Borneo Highway. The subsector also benefited from the construction of combined cycle gas turbine power plant in Melaka.
(Source: Chapter 3: Economic Performance and Prospects, Economic Report 2017/ 2018, Ministry of Finance Malaysia)

Despite the challenges faced in FYE 2017, the Group has been awarded numerous projects for the aluminium and construction segment which have built up a strong order book for the Group. The Board of directors and management are optimistic that the consistent project wins will contribute positively to the Group revenue in the next few years.

Corporate Profile

Group Structure

Corporate Information

BOARD OF DIRECTORS

Ar. Lim Tong Hock
(Chairman, Independent Non-Executive Director)

Choo Seng Choon
(Executive Director)

Dato' Nor Mohd Amin Bin Shaharudin
(Executive Director)
(Appointed on 12 May 2017)

Dato' Azahar Bin Rasul
(Senior Independent Non-Executive Director)

Tay Mun Kit
(Independent Non-Executive Director)

AUDIT AND RISK MANAGEMENT COMMITTEE

Tay Mun Kit (Chairman)
Ar. Lim Tong Hock
Dato' Azahar Bin Rasul

NOMINATION COMMITTEE

Tay Mun Kit (Chairman)
Ar. Lim Tong Hock
Dato' Azahar Bin Rasul

REMUNERATION COMMITTEE

Tay Mun Kit (Chairman)
Ar. Lim Tong Hock
Dato' Azahar Bin Rasul

AUDITORS

STYL Associates (AF 1929)
Chartered Accountants
No. 902, 9th Floor, Block A,
Damansara Intan, No. 1, Jalan SS20/27,
47400 Petaling Jaya, Selangor

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
(ACE Market)

COMPANY SECRETARIES

Laang Jhe How (MIA: 25193)
Anne Kung Soo Ching (MIA : 8449)

PRINCIPAL BANKERS

CIMB Bank Berhad
Malayan Banking Berhad
Malaysia Debt Ventures Berhad
RHB Islamic Bank Berhad
Public Bank Berhad
Hong Leong Islamic Bank Berhad

REGISTERED OFFICE

149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail,
60000 Kuala Lumpur
Tel : 03-7729 1519
Fax: 03-7728 5948

SHARE REGISTRAR

149, Jalan Aminuddin Baki
Taman Tun Dr Ismail,
60000 Kuala Lumpur
Tel : 03-7729 5529
Fax: 03-7728 5948

PRINCIPAL PLACE OF BUSINESS

6-8, Jalan Seri Utara 1
Batu 7, Off Jalan Ipoh,
68100 Kuala Lumpur

Directors' Profile

Board of Directors

Name Of Members	Designation	Nationality
Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director	Malaysian
Choo Seng Choon	Executive Director	Malaysian
Dato' Nor Mohd Amin Bin Shaharudin	Executive Director (Appointed on 12 May 2017)	Malaysian
Dato' Azahar Bin Rasul	Senior Independent Non-Executive Director	Malaysian
Tay Mun Kit	Independent Non-Executive Director	Malaysian

AR. LIM TONG HOCK

A Malaysian and aged 64, Ar. Lim Tong Hock was appointed as an Independent Non-Executive Director and as the Chairman of the Board of Directors on 1 April 2015. He is also a member of the Nomination and Remuneration Committee of the Company.

Ar. Lim Tong Hock began his training as assistant architect in 1980 in the architects' department of Borough of Haringey, London, after obtaining his Bachelor's degree. Subsequently, he worked for Briffa Phillips Chartered Architects in London before returning to Malaysia to join a private architectural practice in Kuala Lumpur in 1984. In 1990, he obtained his corporate membership to practice as an architect and set up his own practice under the name of ADL Architect. He has vast experience in designing and managing projects such as hotels, housing, industrial and institutional buildings.

As at 31 December 2017, he did not hold ordinary shares in the Company.

Ar. Lim attended all the Board meetings held during his tenure in office for the financial period ended 31 December 2017.

Ar. Lim has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

MR. CHOO SENG CHOON

A Malaysian and aged 44, Choo Seng Choon was appointed as an Independent Non-Executive Director on 7 September 2011. He was re-designated as an Executive Director on 15 May 2015.

Choo Seng Choon is a Fellow Member of the Association of Chartered Certified Accountants, a Chartered Member of the Malaysian Institute of Accountants, a Chartered Member of the Institute of Internal Auditors, Malaysia and a Certified Internal Auditor. He also holds a Diploma in Financial Accounting from Tunku Abdul Rahman College, Kuala Lumpur.

He has over 20 years of professional experience that includes internal audits, risk management, investigations, business management consulting, business process re-engineering, corporate governance advisory, due diligence, financial projections and financial audits.

As at 31 December 2017, he did not hold ordinary shares in the Company.

Choo attended all the Board meetings held during his tenure in office for the financial period ended 31 December 2017. He has no family relationship with any director or substantial shareholder of the Company.

Choo has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Directors' Profile (Cont'd)

DATO' NOR MOHD AMIN BIN SHAHARUDIN

A Malaysian aged 54, Dato Nor Mohd Amin was appointed as the Executive Director on 12 May 2017.

Dato' Nor Mohd Amin has more than 25 years of working experience in managing projects that included building and civil works, tendering, contracting and costing. He has previously worked for Maju Holdings Sdn Bhd as the Director of Construction for Maju Holdings Construction Division. During his tenure at Maju Holdings Sdn Bhd, he led and completed several notable projects as the Project Director such as, amongst others, the Integrated Transport Terminal, Bandar Tasik Selatan, Kuala Lumpur, Banting Matriculation College, Port Klang Marina, Sabah Oil & Gas Terminal (Additional site preparation) and Maju Expressway (MEX) Extension (Pre-contract). Subsequent to that, he was employed as Senior Project Manager and Senior Contracts & Commercial Manager at various companies such as MMC Engineering Services Sdn Bhd, Lebar Daun Development Sdn Bhd and Projass Engineering Berhad.

As at 31 December 2017, he holds 3,995,667 ordinary shares in the Company.

Dato' Nor Amin attended all the Board meetings held during his tenure in office for the financial period ended 31 December 2017. He has no family relationship with any directors or substantial shareholder of the Company.

Dato' Nor Amin has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

DATO' AZAHAR BIN RASUL

A Malaysian aged 56, Dato' Azahar was appointed as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee on 23 March 2012. He is also a member of the Nomination and Remuneration Committee of the Company.

He obtained his Bachelor of Science Degree in Business Administration from Central Michigan University in 1988 and a Master of Science Degree in Accounting from the University of New Haven, Connecticut, USA in 1990. He has over 26 years of experience in the field of corporate accounting, finance, banking and administration. His last employment was with Land & General Berhad as its Senior Manager for Administration and Finance until 1995, when he left to set up set up his own business. Dato' Azahar also sits on the board of directors of EA Holdings Berhad.

As at 31 December 2017, he did not hold ordinary shares in the Company.

Dato' Azahar attended all the Board meetings held during his tenure in office for the financial period ended 31 December 2017. He has no family relationship with any directors or substantial shareholder of the Company.

Dato' Azahar has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Directors' Profile (Cont'd)

MR. TAY MUN KIT

A Malaysian aged 42, Tay was appointed as the Independent Non-Executive Director and a member of the Audit and Risk Management Committee on 18 December 2012. He is also a member of the Nomination and Remuneration Committee of the Company. He was appointed as the Chairman of the Audit and Risk Management Committee on 1 April 2015.

Tay is a Fellow Member of the Association of Chartered Certified Accountants. He is also the Chief Financial Officer for EA Holdings Berhad, a company involved in the provision of investment holding, management and consultancy services. Prior to joining EA Holdings Berhad, he was attached to an audit firm and has more than 15 years of experience in the field of auditing and corporate services.

As at 31 December 2017, he did not hold ordinary shares in the Company.

Tay attended all the Board meetings held during his tenure in office for the financial period ended 31 December 2017. He has no family relationship with any director or substantial shareholder of the Company.

Tay has no conflict of interest with the Group and has no conviction for offences within the past 10 years other than traffic offences.

Corporate Governance

The Board of Directors ("the Board") of Vivocom Intl Holdings Berhad recognises the importance of good corporate governance and is fully committed towards ensuring that the highest standards of corporate governance are implemented and maintained as set out in the Malaysian Code on Corporate Governance (MCCG) throughout the Group as a fundamental part of its responsibilities to protect and enhance shareholders' value.

PRINCIPLE 1 : ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

Board Charter

The Board has established a Board Charter which sets out roles, functions, compositions, operations and processes of the Board to promote high standards of corporate governance. The Board Charter provides guidance to the Directors in relation to the Board's roles, duties, responsibilities and authorities which are in line with the principles of good corporate governance.

The Board will update the Board Charter periodically to reflect changes to the Group's policies, procedures and processes as well as the latest relevant legislations and regulations. The Board Charter is available on Group's corporate website at www.vivocomgroup.com.

Clear Functions of the Board and Management

The Board is responsible of development of corporate objectives, review and approval of corporate plans, performance and the corporate governance of the Group. The Board is also responsible for the identification and management of key risk, the adequacy and integrity of internal control systems.

The Board is responsible for the overall corporate governance of the Group, including the following specific roles and responsibilities:

a) Reviewing, approve and monitor the overall strategies and direction of the Group;

b) Overseeing the conduct of the Group of the Group's business to evaluate whether the business is being properly managed;

c) Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;

d) Succession planning;

e) Developing and implementing an investor relations programme and shareholder communications policy for the Group, and;

f) Reviewing the adequacy and the integrity of the Group's internal controls systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

The Board has also delegated specific responsibilities to the Board Committees, Audit and Risk Management Committee, Nomination Committee and Remuneration Committee. Board Committees are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board in accordance with their respective Terms of Reference. The Chairman of the relevant Board Committees also report to the Board on key issues deliberated by the Board Committees at their respective meetings.

Code of Conduct and Ethics

The Board has been guided by the Code of Conduct for Directors, Management and Officers of the Group, to promote the corporate culture which engenders ethical conduct that permeates throughout the Group to be in line with the MCCG 2012. The Code of Ethics will require all Directors to observe high ethical business standards, and to apply these values to all aspects of the Group's business and professional practice and act in good faith in the best interests of the Group and its shareholders.

Corporate Governance (Cont'd)

Promoting Sustainability

The Board acknowledges the importance of sustainable and responsible business practices in developing the corporate strategy of the Group. The business will be conducted in a responsible, trustworthy and ethical manner while attention will be given to the environmental, social and governance aspects of the business which underpin sustainability as well as balancing the interest of stakeholders to enhance investors' perception and public trust.

Access to Information and Advice

All Board members have full and unrestricted access to information on the Group's business and affairs. All scheduled meetings held during the year were preceded by a formal notice issued by the Company Secretary in consultation with the Chairman. The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory and minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informative decisions. Where required, senior management and external advisors are invited to attend these meetings to explain and clarify on matters tabled.

The Board is regularly updated and advised by the Company Secretaries on new statutory as well as regulatory requirements. The Board has full and unrestricted access to the advice and services of the Company Secretaries as well as the senior management. Where necessary, the Board may obtain independent professional advice at the Company's expenses on the specific issues to enable the Board to make well-informed decisions in discharging their duties on the matters tabled.

Company Secretaries

The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in the discharge of functions. The Company Secretaries ensure that all Board meetings are properly convened and accurate and proper records of the proceedings and resolutions passed are recorded and maintained in the statutory register of the Company. They also ensure that the Board policies and procedures are followed and rules and regulations, codes or guidance and legislations are complied with.

PRINCIPLE 2 : STRENGTHEN THE COMPOSITION

Composition and Balance

The Board strongly concurred that an effective and well-balanced Board which consists of members with wide range of business, technical and financial background is important to achieve the highest standard of performance, accountability and ethical behaviour as expected by the stakeholders.

The Board is made up of five (5) members, consisting of one (1) Independent Non-Executive Chairman, two (2) Executive Directors, and two (2) Independent Non-Executive Directors:

No.	Name Of Members	Designation
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director
2	Choo Seng Choon	Executive Director
3	Dato' Nor Mohd Amin Bin Shaharudin	Executive Director (Appointed on 12 May 2017)
4	Dato' Azahar Bin Rasul	Senior Independent Non-Executive Director
5	Tay Mun Kit	Independent Non-Executive Director

The Board has a balanced composition of Executive and Non-Executive Independent Directors such that no individual or group of individuals can dominate the Board's decision making powers and processes. All Board members carry an independent judgment to bear on issues of strategy, performance, resources and standard of conducts. All the Directors have also complied with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad on the limit of five (5) directorship in public listed companies.

The profiles of the Directors are presented on page 8 to 10 of this annual report.

Corporate Governance (Cont'd)

To assist the Board in discharge of their duties effectively, the Board has delegated specific functions to certain committees. Each committee will operate within its clearly defined terms of reference.

a) Audit and Risk Management Committee

The terms of reference of the Audit and Risk Management Committee are set out on page 19 to 22 of this annual report.

b) Nomination Committee

The Nomination Committee comprises exclusively of independent Non-Executive Directors as follows :-

Tay Mun Kit	Chairman
Ar. Lim Tong Hock	Member
Dato' Azahar Bin Rasul	Member

The Nomination Committee was set up to provide a formal and transparent procedure for appointment of Directors as well as assessment on effectiveness of individual Director and the Board as a whole. The Committee has reviewed the Board's mix of skills and experience and other qualities of all the Directors. The annual assessment of the effectiveness of the Board has been performed by the Nomination Committee.

With the current composition (appointment of Dato' Nor Mohd Amin), the Committee is of the opinion that the Board has the necessary knowledge, experience, professionalism, integrity, requisite range of skills and competence to enable them to discharge their duties and responsibilities.

Dato' Azahar bin Rasul has been identified by the Board as Senior Independent Non-Executive Director to whom the concerns of the shareholders and other stakeholders may be conveyed.

Nomination Committee attendance were as follows : -

1	Tay Mun Kit	1/1	100%
2	Dato' Azahar Bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

c) Remuneration Committee

The Remuneration Committee comprises exclusively of Independent Non-Executive Directors as follows :-

Tay Mun Kit	Chairman
Ar. Lim Tong Hock	Member
Dato' Azahar Bin Rasul	Member

The objectives of the Remuneration Committee is to provide a formal and transparent procedure for developing remuneration policy for Directors. The Committee reviews, assesses and recommends to the Board the remuneration packages of the executive directors in all forms which enables the Group to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. Executive Directors play no part in decision on their own remunerations.

The remuneration package is designed to support the Company's strategy and to provide an appropriate incentive to maximise individual and corporate performance, whilst ensuring that overall rewards are market competitive. The Executive Directors' package consists of basic salary, contribution to the national pension fund and benefits-in-kind such as medical care, car allowance and fuel whilst the Non-executive Directors' package primarily consists of fees only.

Corporate Governance (Cont'd)

The remuneration packages for the Directors for the financial year ended 31 December 2017 are as follows :-

	Executive Directors (RM'000)	Non-Executive Directors (RM'000)
Salaries and other emoluments	720	-
Fees	-	66

The number of Directors whose remuneration falls into each band of RM50,000 are set as follows :-

	Number of Directors	
	Executive Directors	Non-Executive Directors
1 – 50,000	-	3
350,000 – 400,000	2	-

Remuneration Committee attendance : -

No.	Name Of Members	Attendance	Percentage
1	Tay Mun Kit	1/1	100%
2	Dato' Azahar Bin Rasul	1/1	100%
3	Ar. Lim Tong Hock	1/1	100%

PRINCIPLE 3 : REINFORCE INDEPENDENCE

Annual Assessment of Independence

The Independent Non-Executive Directors provide a broader view and independent assessment to the decision making process of the Board taking into account of the interest of the Group and all its stakeholders.

During the financial year, the Board has assessed the independence of the Independent Non-executive Directors and is generally satisfied with their ability to act independently and objectively in the best interest of the Group.

Tenure of Independent Directors

The Board has adopted a nine (9) year policy for Independent Non-Executive Directors. None of the current independent Board members had served the Company for more than nine years as per the recommendation of the MCCG. Should the tenure of an independent Director exceed nine years, shareholders' approval will be sought at a General Meeting or if the services of the Director concerned are still required, the director concerned will be re-designated as a non-independent Director.

Separation of the positions of the Chairman and CEO

The positions of the Chairman and CEO are held by two different individuals and there is a clear division of responsibilities. The Chairman is responsible for the governance, orderly conduct and effectiveness of the Board while the CEO is responsible for managing the Group's business operations and implementation of policies and strategies approved by the Board.

Corporate Governance (Cont'd)

PRINCIPLE 4 : FOSTER COMMITMENT

Time Commitment

The Directors are aware of the time commitment expected from each of them to attend to matters of the Group, including attendance at Board, Board Committee and other types of meetings. Directors are required to provide notification to the Chairman when accepting any new appointment on the boards of other companies, to ensure that there is no potential conflict of interest. Any changes of their directorships would be tabled at the quarterly Board meetings for the Board's review.

Board Meetings And Supply of Information to the Board

The Board will meet at least four (4) times a year with additional meetings being held as and when required. For the financial year ended 31 December 2017, six (6) Board meetings were held. The Board is satisfied with the level of time committed by its member in discharging their duties and roles as Directors of the Company.

The attendance of the Directors at Board meetings during the financial year are as shown below:

No.	Name Of Members	Designation	Attendance	Percentage Of Attendance
1	Ar. Lim Tong Hock	Chairman, Independent Non-Executive Director	5/6	83%
2	Choo Seng Choon	Executive Director	6/6	100%
3	Dato' Azahar Bin Rasul	Non-Executive Director	6/6	100%
4	Tay Mun Kit	Independent Non-Executive Director	6/6	100%
5	Dato' Nor Mohd Amin Bin Shaharudin	Executive Director (Appointed on 12 May 2017)	4/4	100%

Directors' Training

The Board is mindful of the importance for its members to undergo continuous training to be apprised on changes to regulatory requirements and the impact such regulatory requirements have on the Group. All Directors have attended the Mandatory Accreditation Programme ("MAP") as required by Bursa Malaysia Securities Berhad. The Directors are encouraged to continually attend relevant training programmes to equip themselves with the necessary knowledge and to keep abreast with the relevant changes in laws, regulations and business development. All Directors have continuously undergone training programmes to enhance their skills and knowledge.

During the year 2017, the Directors had attended the following training programmes :-

Directors	Title of seminar/course
Ar. Lim Tong Hock	UBBL By Law 38A 2012 : The Requirements and Impact on Architects on 7 October 2017 Conflict, Claims and Construction Disputes : Adjudication Leading the Way on 21 October 2017
Choo Seng Choon	Microsoft Excel Intermediate and Advanced 2016 on 28 & 29 September 2017 Income Tax, RPGT and GST Latest Updates and Tax Planning on 13 & 14 November 2017
Dato' Azahar Bin Rasul	Liberalisation of Motor Insurance Tariff on 6 June 2017
Tay Mun Kit	GST with Income Tax Integration on 6 September 2017
Dato' Nor Mohd Amin Bin Shaharudin	Mandatory Accreditation Programme on August 2017

Corporate Governance (Cont'd)

Appointment and Re-election

One third (1/3) of the Board shall retire from office and are eligible for re-election at each Annual General Meeting and all directors shall retire from office once in every three (3) years but shall be eligible for re-election.

The Articles of Association also provides that a Director who is appointed by the Board in the course of the year shall be subject to re-election at the next AGM to be held following his appointment.

PRINCIPLE 5 : UPHOLD INTEGRITY IN FINANCIAL REPORTING

Compliance with Applicable Financial Reporting Standards

The Board aims to provide and present a balanced and understandable assessment of the Group's financial performance through annual audited financial statements and announcement of quarterly reports to shareholders which are prepared in accordance with the provisions of the Companies Act, 2016 and applicable approved accounting standards.

The Audit and Risk Management Committee assist the Board to oversee and scrutinise the financial reporting process and quality of the financial reporting. All quarterly reports and financial statements are reviewed and discussed by the Committee before they are tabled to the Board for approval and subsequent release to Bursa Securities and Securities Commission.

Relationship with Auditors

The Group and Audit and Risk Management Committee has always maintained a close and transparent relationship with the both internal and external auditors in seeking professional advice and ensuring compliance with the relevant accounting standards.

The internal and external auditors are invited to attend Audit and Risk Management Committee meetings and present their audit findings without the Executive Directors. The Committee is responsible for reviewing audit and non-audit services provided by the auditors.

The independence, effectiveness and performance of the external auditors is reviewed annually by the Committee. External auditors will be recommended for re-appointment on the Board and seek approval from the shareholders at the forthcoming AGM.

PRINCIPLE 6 : RECOGNISE AND MANAGE RISKS

Sound Framework to Manage Risks

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. The Group has put in place a systematic risk management framework and processes to identify, evaluate and monitor principal risks and implement appropriate internal control processes to manage it. The Board has engaged an independent internal auditor that reports directly to the Audit and Risk Management Committee. With the assistance of internal auditor, the Board will continuous review of the key risks of the Group and monitors the implementation of the mitigation plans from time to time.

Internal Audit Function

The Group has outsourced the internal audit function to an independent professional firm which reports directly to Audit and Risk Management Committee. The Committee works together with internal auditor on the scope of the audit and plan internal audit activities annually. All audit findings arising will then report directly to the Committee on a half yearly basis.

Corporate Governance (Cont'd)

PRINCIPLE 7 : ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

Corporate Disclosure Policies

The Board acknowledges the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosure information to the shareholders and stakeholders.

In line with this commitment and in order to enhance the transparency and accountability, the Board has adopted an internal corporate disclosure policies and procedures to facilitate the handling and disclosure of material information in a timely and accurate manner.

Leverage of information Technology for Effective Dissemination of Information

The Group maintains a website at www.vivocomgroup.com that allows all shareholders and investors access to information about the Group.

PRINCIPLE 8: STRENGTHEN RELATIONSHIP BETWEEN THE COMPANY AND ITS SHAREHOLDERS

The Annual General Meeting is the principal forum dialogue with all shareholders. Shareholders are encouraged to participate in the questions and answers session and all the Directors are available to respond to questions during the meeting.

Notice of Annual General Meeting and the annual report are sent to shareholders at least 21 days before the date of the meeting.

Corporate Social Responsibility

The Group is fully aware that its business operations have both direct and indirect impacts on the communities and therefore we are committed to adopt and engage in Corporate Social Responsibility (CSR). We uphold our responsibility towards the statutory compliance of CSR and extends it further by implementing various measures as part of our operation.

(a) The Environment
The Group emphasizes the importance, impact and implications of its business operations have on the environment as a whole and implemented some measures in our operations to conserve and minimize the impact to the environment.

(i) Paperless environment
Business entities and staff are encouraged to fully maximize the advancement and benefits of ICT (eg email, instant messaging, etc.) for communication, filing and only print hard copy when necessary.

(ii) Recycling
Staffs are encouraged to maximize the usage of papers by printing on both sides while unwanted papers and recyclable items are collected and sent to be recycled. This initiative is in place to support the government's Go Green effort.

(iii) Inverter Based Air Conditioner
The Group has adopted the usage of Inverter-based air conditioners in the office recently. These air conditioners are significantly more efficient than conventional air conditioners as they do not consume as much energy.

(b) The Marketplace
The Group seeks to always uphold and comply the standards of Corporate Governance within the operation of the company in order to meet shareholder expectations and to benefit the stake of the shareholders.

Product safety and quality assurance will drive the Group's to a higher competitive edge in the marketplace, therefore the Group continuously emphasis good workmanship and delivering high quality product as commitment all customers. To help achieve such standards, Quality Assurance and Quality Control Department has been set up in the subsidiary companies.

Corporate Governance (Cont'd)

(c) The Workplace

Human resource is the strategic asset of the Group. The Group always strives to set up a quality work environment for our dedicated workers in line with the health and safety standards. A good working environment is conducive to improve the efficiency and productivity of employees.

Employees are also sent for various training during their employment to enhance their skills and abilities which would be beneficial for the group besides offering excellent opportunities for staff future career development. For main contractor role, the presence of a safety officer is mandatory on site as we strive to achieve the lowest rate of lost- work time injuries and to ensure the safety of all personnel on site.

In addition, the company also organizes gatherings, sports activities such as futsal and badminton games to foster and cultivate close ties among the company besides producing quality workforce with a strong sense belonging.

Corporate Governance Report

This Corporate Governance Statement is complemented by the Corporate Governance Report, which is prepared based on the prescribed format as enumerated in Paragraph 15.25(2) of the Listing Requirements for ACE Market of Bursa Malaysia Securities Berhad, to provide a detailed description of the application of the Group's corporate governance practices. The Corporate Governance Report is available on the Group's website, www.vivocomgroup.com, as well as on Bursa Malaysia Berhad's website, wwww.bursamalaysia.com.

Compliance Statement

The Board believes that the Company has in 2017 followed the Principles and Recommendations of MCCG in all material aspects.

This statement is made in accordance with the resolution of the Board dated 27 April 2018.

Audit and Risk Management Committee Report

Audit and Risk Management Committee Members

Chairman	Tay Mun Kit (Independent Non-Executive Director)
Members	Ar. Lim Tong Hock (Independent Non-Executive Director)
	Dato’ Azahar Bin Rasul (Senior Independent Non-Executive Director)
Secretary	Laang Jhe How (Company Secretary)

Terms of Reference of Audit And Risk Management Committee

1. Objective

The primary objectives of the Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiaries.

The Committee shall also assist the Board in complying with specified accounting standards and required disclosures as administered by Bursa Securities, relevant accounting standards bodies, and any other laws and regulations as amended from time to time.

The Committee shall also establish a formal and transparent arrangement for maintaining an appropriate relationship with the Company’s auditors and overseeing and appraising the quality of audits conducted by the Company’s internal and external auditors.

2. Composition

(a) The Audit and Risk Management Committee shall be appointed by the Board from amongst themselves comprising not less than three (3) members where the majority of them shall be composed of independent non-executive directors and the CEO shall not be a member of the Audit and Risk Management Committee.

(b) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or possessing such financial related qualification or experience as may be required by Bursa Malaysia Securities Berhad.

(c) The term of office of the Audit and Risk Management Committee is two (2) years and may be re-nominated and appointed by the Board.

(d) The members of the Audit and Risk Committee shall elect a Chairman from amongst themselves who shall be an independent director.

(e) All members of the Audit and Risk Management Committee, including the Chairman, will hold office only so long as they serve as Directors of the Company. Should any member of the Audit and Risk Management Committee cease to be a Director of the Company, his membership in the Audit and Risk Management Committee would cease forthwith.

(f) No Alternate Director of the Board shall be appointed as a member of the Audit and Risk Management Committee.

(g) If the number of members of the Audit and Risk Management Committee for any reason be reduced to below three (3), the Board of Directors shall within three (3) months of the event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

(h) The Board must review the term of office and performance of the Committee and each of its members at least once every three (3) years to determine whether such Committee and members have carried out their duties in accordance with their terms of reference.

Audit and Risk Management Committee Report (Cont'd)

3. Duties and Responsibilities

The duties and responsibilities of the Committee shall include the followings :-

External Audit

(a) To review the nomination of external auditors and their audit fees;
(b) To review the nature, scope and quality of external audit plan/arrangements;
(c) To review quarterly and annual financial statements of the Company, before submission to the Board, focusing in particular on the going concern assumption, compliance with accounting standards and regulatory requirements, any changes in accounting policies and practices, significant issues arising from the audit and major judgmental issues;
(d) To review the external auditors' audit report;
(e) To review with the external auditors, their evaluation of the system of internal accounting controls;
(f) To review the Company's policies and procedures with Management and external auditors to ensure the adequacy of internal accounting and financial reporting controls;
(g) To review any letter of resignation from the external auditors; and
(h) To consider and review whether there is reason (supported by grounds) to believe that the Company's external auditors are not suitable for re-appointment.

Internal Audit

(a) To review the adequacy of scope, functions and resources of the internal audit function;
(b) To review the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
(c) To review the major findings of internal audit investigations and management's response, and ensure that appropriate actions are taken on the recommendations of the internal audit function; and
(d) To review and approve any appointment, termination or resignation of the internal auditor.

Risk Management and Internal Control

(a) To review the adequacy of the Group's risk management framework and to provide independent assurance to the Board of Directors on the effectiveness of the Company's risk management processes;
(b) To evaluate the quality and effectiveness of the Company's internal controls and management information systems, including compliance with applicable laws, rules and guidelines;
(c) Monitoring and communication of risk assessment results to the Board; and
(d) To recommend to the Board of Directors the Statement of Internal Control and any changes to the said statement.

4. Authority

The Committee shall in accordance with a procedure to be determined by the Board and at the expense of the Company :

(a) have explicit authority to investigate any matter within its terms of reference;
(b) have the resources which the Committee needs to perform the duties;
(c) have full access to any information which the Committee requires in the course of performing its duties;
(d) have unrestricted access to all employees of the Group;
(e) have direct communication channels with the external auditors;
(f) be able to obtain outside legal or independent professional advice in the performance of its duties at the cost of the Company; and
(g) be able to invite outsiders with relevant experience to attend its meetings, if necessary.

Audit and Risk Management Committee Report (Cont'd)

5. Meetings and Minutes

The Committee shall hold not less than four (4) meetings a year to review the quarterly results and year end financial statements. In order to form the quorum for each meeting, a minimum of two (2) members present shall be Independent Directors.

In addition to the Committee members, the head of internal audit shall normally attend the meetings. Representatives of the external auditors shall attend meetings where matters relating to the audit of the statutory accounts and/or the external auditors are to be discussed.

Minutes of each meeting shall be kept and distributed to each member of the Committee and also to the other members of the Board. The Committee Chairman shall report on each meeting to the Board.

The Secretary to the Committee shall be the Company Secretary.

6. Internal Audit Function

The Company's internal audit function is outsourced to an independent professional internal audit service provider, which reports directly to the Audit and Risk Management Committee. The Internal Auditors adopt a risk-based approach when preparing its annual audit plan and strategy. The principal role of the internal audit is to conduct independent and regular reviews of the various operations of the Company and to provide objective reports on the state of the internal controls to the Audit and Risk Management Committee. All internal audit reports will be presented to the Audit and Risk Management Committee for deliberation. The Audit and Risk Management Committee would then make the relevant recommendations for the management's further action. The total costs incurred for the outsourced internal audit function during the year was RM24,478.

Summary of Activities

During the financial year ended 31 December 2017, in line with the terms of reference, the Committee carried out the following activities in the discharge of its functions and duties:

1. Meeting with the external auditors to review the audited financial statements for the financial year ended 31 December 2017;

2. Reviewed the audit reports of the Group prepared by the external auditors and considered the major findings by the auditors and management's responses thereto;

3. Reviewed the quarterly and year-end financial results of the Group prior to submission to the Board for consideration and approval;

4. Reviewed the disclosure of related party transactions entered into by the Group;

5. Reviewed the audit plan, nature and scope of the external auditors and considering their audit fee;

6. Reviewed the audit plan, nature and scope as proposed by the internal auditors;

7. Reviewed the audit reports presented by the internal auditors on the findings and recommendations and ensure that they are duly acted upon by the management.

8. Reviewed the Statement on Risk Management and Internal Control to be published in the Annual Report.

Audit and Risk Management Committee Report (Cont'd)

Meeting Attendance

The Committee held five (5) meetings during the financial year ended 31 December 2017. The details of the attendance are as follows:

Directors	No. of meetings attended
Tay Mun Kit	5/5
Dato' Azahar Bin Rasul	5/5
Ar. Lim Tong Hock	4/5

Directors' Responsibility Statement

This Statement is prepared pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the ACE Market.

The Board is responsible to ensure the financial statements prepared for each financial year have been made in accordance with applicable approved accounting standards and give a true and fair view of the state of affairs of the Group, including cash flow and results as at the end of each financial year.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which comply with the provisions of the Companies Act, 2016.

The Directors have general responsibility for taking such steps as are reasonable available to them to safeguard the assets of the Group and the Company and to detect and prevent fraud and other irregularities.

Statement on Risk Management and Internal Control

The Malaysian Code of Corporate Governance under Principle 6 states that the Board should establish a sound risk management framework and internal controls systems to safeguard shareholders' investments and the Group's assets.

Board Responsibilities

The Board acknowledge the importance and responsibilities of maintaining a good system of risk management and internal controls and risk management which includes determining the Group's level of risk tolerance and in conjunction with the management of the Group, the establishment of an appropriate internal control environment and framework, reviewing the integrity, effectiveness and adequacy of these systems to safeguard shareholders' investment and the Group's assets.

The system of risk management and internal control covers not only financial control but also operational and compliance control. The Board believes that this is a continuing process and more importantly a concerted effort by all employees of the Group. As part of its review, the Board will continue taking necessary measures to strengthen its risk management and internal control system to address any weaknesses identified.

System of Risk Management

The Board acknowledged that all areas of the Group's activities involve some degree of risks and recognises that effective risk management is part of good business management practice for the successful achievement of the Group's business objectives.

Day to day operations in respect of commercial, financial, legal compliance and operational aspects of the Group are closely monitored by the Management and they are delegated with the responsibilities to manage identified risks within defined parameters and standards. Significant risks will be highlighted to the Board and deliberation of risks and mitigating responses are carried out. The Risk Management Framework and Risk Management Policies to be adopted by the Board serves as guidance notes to the Management on the systematic approach to assess and manage risk.

Objectives of the Risk Management Framework and Policies are as followings:-

(a) To identify and prioritise potential risk areas and risk events;
(b) To develop methods to evaluate identified risks; and
(c) To develop risk management, risk mitigation and risk response strategies and plans.

System of Internal Control

The key measures implemented in the Group are as follows :-

(i) A well-defined organization structure with distinct lines of accountability that sets out the authority delegated to the board and management committees;

(ii) A process of hierarchical reporting which provides a documented and auditable trail of accountability;

(iii) Documented policies and procedures for all significant processes;

(iv) Regular and comprehensive information provided to management, covering financial and operational performance and key business indicators for effective monitoring and decision making;

(v) Consistent monitoring of results against budget, with major variances being followed up and management action taken, where necessary;

(vi) Close involvement in the daily operation by the senior management; and

(vii) Review of quarterly and annual financial results by the Audit and Risk Management Committee.

Statement on Risk Management and Internal Control (Cont'd)

Internal Audit Function

The Group has acknowledged the need for an effective and independent audit function and has outsourced its internal audit function to an independent professional firm, Tricor Governance Sdn. Bhd. to review the adequacy and integrity of the internal control systems of the Group.

During the financial year under review, internal audit was carried out in accordance with the internal audit plan approved by the Audit and Risk Management Committee. Internal auditors have full and unrestricted access to all documents and records of the Group deemed necessary in the performance of its function and independently review of risk identification procedures and control processes implemented by the Management.

The internal audit function reports directly to the Audit and Risk Management Committee and is independent of the management. The internal audit reports are submitted to the Audit and Risk Management Committee who would review and deliberate on the findings before making the necessary recommendations to the Board to strengthen its system of internal control and policies.

Review of the Statement by the External Auditors

As required by Paragraph 15.23 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the external auditors have reviewed this Statement on Risk Management and Internal Control. Nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy, integrity and effectiveness of the risk management and system of internal control.

Conclusion

The Board have received assurance from the Executive Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects based on the risk management and internal control system of the Group. However, the Board also recognises the fact that the Group's system of internal control and risk management system practices must continuously evolve to support the growth and dynamic of the Group as well as meet the challenging and changing business environment. Therefore, enhanced action plan and procedures will be in place to enhance the internal control system and risk management framework.

This Statement was made in accordance with a resolution of the Board dated 27 April 2018.

Additional Compliance Information

(a) Utilisation of Proceeds

(i) The status of utilisation of the gross proceeds of RM28.907 million from the Rights Issue by the Company as at 31 December 2017 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation	Explanation
Future viable investments	15,000	13,743	1,257	-	Within 24 months from completion	
Repayment of borrowings	12,000	12,000	-	-	Within 24 months from completion	
Working capital	1,007	713	-	294	Within 24 months from completion	Being the additional rights issue expenses of RM294,000 incurred
Rights Issue expenses	900	1,194	-	(294)	Upon completion	
Total	28,907	27,650	1,257	-		

(ii) The status of utilisation of the gross proceeds of RM63.318 million from the Private Placements of up to 10% of the issued and paid-up share capital of the Company as at 31 December 2017 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation
Future viable investments	38,000	-	38,000	-	Within 24 months from completion
Working capital for VESB	24,118	24,118	-	-	Within 24 months from completion
Private Placement expenses	1,200	1,200	-	(294)	Upon completion
Total	63,318	27,650	1,257	-	

(iii) The status of utilisation of the gross proceeds of RM8.605 million from the Private Placements of up to 10% of the issued and paid-up share capital of Vivocom to Macquerie Bank as at 31 December 2017 are as follows:-

Purposes	Proposed Utilisation RM'000	Amount Utilised RM'000	Amount Unutilised RM'000	Deviation RM'000	Intended Timeframe for Utilisation
General Working Capital	19,475	19,475	-	-	Within 24 months from completion
Private Placement expenses	300	300	-	-	Upon completion
Total	19,775	19,775	-	-	

Additional Compliance Information (Cont'd)

(b) Share Buybacks

There was no Share Buybacks arrangement during the financial year.

(c) Options, Warrants or Convertible Securities

(i) During the FYE 2017, no Warrants B were exercised and converted into ordinary shares. As at 31 December 2017, 626,145,878 Warrants B remained unexercised.

(ii) During the FYE 2017, no Warrants C were exercised and converted into ordinary shares. As at 31 December 2017, 250,367,513 Warrants C remained unexercised.

(iii) During the FYE 2017, no Warrants D were exercised and converted into ordinary shares. As at 31 December 2017, 240,824,301 Warrants D remained unexercised.

(d) American Depository Receipt (ADR) or Global Depository Receipt (GDR) Programme

During the FYE 2017, the Company did not sponsor any ADR or GDR programme.

(e) Sanctions and Penalties

There were no material sanctions and penalties imposed on the Group, Directors or management by the relevant regulatory bodies.

(f) Non-Audit Fees

The amount of non-audit fees incurred for services rendered to the Group by its external auditors for the FYE 2017 was RM6,000.

(g) Profit Estimates, Forecast or Projection

The Company did not issue any profit estimate, forecast or projection for the financial year.

(h) Profit Guarantee

There was no other profit guarantee given by the Group in respect of the financial year.

(i) Material Contracts

During the financial period, there were no material contracts of the Group involving its Directors' and major shareholders' interest.

(j) Revaluation Policy

The Group does not have a revaluation policy in respect of its properties.

(k) Recurrent Related Party Transactions of Revenue Nature ("RRPT")

During the financial period, the Group did not enter into any RRPT.

Reports and Financial Statements

For The Financial Year Ended 31 December 2017

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Directors' Report

The directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in provision of telecommunication engineering and services and investment holding.

The principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes to the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Net profit for the financial year	21,831,189	(3,764,389)
Other comprehensive income, net of tax	1,042	-
Total comprehensive income for the financial year	21,832,231	(3,764,389)
Attributable to:-		
Owners of the parent	14,509,087	(3,764,389)
Non-controlling interests	7,323,144	-
Total comprehensive income for the financial year	21,832,231	(3,764,389)

DIVIDENDS

No dividends was 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 31 December 2017.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, 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 allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts.

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

Directors' Report (Cont'd)

CURRENT ASSETS

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

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

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or

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

In the opinion of the directors, no contingent liabilities or other liabilities of the Group and of the Company have 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 substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due, other than as disclosed in the financial statements.

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 that would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, 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.

ISSUES OF SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital increased from RM323,422,141/- to RM360,199,392/- by way of:-

(i) issuance of 159,500,000 new ordinary shares via private placements to eligible investors for a total purchase consideration of RM19,774,450/- at an average issue price of RM0.124 per ordinary share.

(ii) transfer of the amount standing to the credit of the Company's share premium account pursuant to Section 618(2) of the Companies Act, 2016 in Malaysia, amounting to RM17,002,801/- to become part of the Company's share capital.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares in the Company.

There were no issuance of debentures during the financial year.

Directors' Report (Cont'd)

WARRANTS B 2013/2018

On 2 September 2013, a total of 351,127,130 free warrants have been issued pursuant to the Bonus Issue of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each held on 30 August 2013. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 9 September 2013.

On July 2015, 24,577,496 additional warrants 2013/2018 ("Warrants B") issued pursuant to the adjustments arising from the Right Issue with warrants. As at July 2015, total Warrant B amounted to 375,704,626. On November 2015, 125,232,599 additional warrants 2013/2018 ("Warrants B") issued pursuant to the adjustments arising from the Bonus Issue.

On September 2016, 125,229,175 additional warrants 2013/2018 ("Warrant B") issued pursuant to the adjustments arising from the Bonus Issue. As at September 2016, total Warrant B amounted to 626,162,478.

As at the end of the financial year, 626,145,878 warrants remained unexercised. Details of the Warrants B 2013/2018 are disclosed in Note 19 to the financial statements.

WARRANTS C 2015/2020

A total of 140,450,852 free warrants have been issued pursuant to the Bonus Issue of one (1) free warrant for every five (5) existing ordinary shares of RM0.10 each held on 22 January 2015. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 30 January 2015.

On July 2015, 9,830,784 additional warrants 2015/2020 ("Warrants C") issued pursuant to the adjustments arising from the Right Issue with warrants. As at July 2015, total Warrant C amounted to 150,281,636. On November 2015, 50,090,202 additional warrants 2015/2020 ("Warrants C") issued pursuant to the adjustments arising from the Bonus Issue.

On September 2016, 50,073,502 additional warrants 2015/2020 ("Warrant C") issued pursuant to the adjustments arising from the Bonus Issue. As at September 2016, total Warrant C amounted to 250,433,285.

As at the end of the financial year, 250,367,513 warrants remained unexercised. Details of the Warrants C 2015/2020 are disclosed in Note 19 to the financial statements.

WARRANTS D 2015/2020

On 15 June 2015, the Company has Renounceable Rights Issue of up to 429,515,979 Rights Shares on the basis of two (2) Rights Shares for every seven (7) existing Instacom Shares held, together with up to 214,757,989 free detachable warrants in Instacom ("Warrants D") on the basis of one (1) free Warrant D for every two (2) Rights Shares subscribed for at 5.00 p.m. on Monday, 15 June 2015 at an issue price of RM0.10 per Rights Share ("Rights Issue with Warrants").

A total of 144,532,298 free detachable warrants have been issued pursuant to the Right Issue of one (1) free warrant for every two (2) subscribed Rights Share at an issue price of RM0.10 each on 15 June 2015. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 14 July 2015. On November 2015, 48,175,841 additional warrants 2015/2020 ("Warrants D") issued pursuant to the adjustments arising from the Bonus Issue.

On September 2016, 48,164,860 additional warrants 2015/2020 ("Warrant D") issued pursuant to the adjustments arising from the Bonus Issue with warrants. As at September 2016, total Warrant D amounted to 240,869,857.

As at the end of the financial year, 240,824,301 warrants remained unexercised. Details of the Warrants D 2015/2020 are disclosed in Note 19 to the financial statements.

Directors' Report (Cont'd)

DIRECTORS

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

CHOO SENG CHOON
DATO' AZAHAR BIN RASUL
TAY MUN KIT
AR. LIM TONG HOCK
DATO' NOR MOHD AMIN BIN SHAHARUDIN (Appointed on 12 May 2017)

DIRECTORS OF SUBSIDIARIES OF THE COMPANY

Pursuant to Section 253(2) of the Companies Act, 2016 in Malaysia, the directors who held office in the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of report are:-

ANNE KUNG SOO CHING
PHUA SIEW BOON
DATO' NOR MOHD AMIN BIN SHAHARUDIN
DATO' CHIA KOK SENG
CHOO SENG CHOON
LOH PIT KONG
SEAH KOK CHONG
OOI ENG KEAN

DIRECTORS' INTERESTS

According to the register of the directors' shareholdings, the interest of directors who held office at the end of the financial year in shares or debentures in the Company or its subsidiaries during the financial year are as follows:-

	Number of ordinary shares			
	At 1.1.2017	**Bought**	**Sold**	**At 31.12.2017**
Vivocom Intl Holdings Berhad				
Direct Interests				
DATO' NOR MOHD AMIN BIN SHAHARUDIN	3,995,667	-	-	3,995,667
Neata Aluminium (Malaysia) Sdn. Bhd.				
Direct Interests				
DATO' NOR MOHD AMIN BIN SHAHARUDIN	204,285	-	-	204,285

None of the other directors in office at the end of the financial year had any interest in the shares and warrants of the Company or 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 a benefit (other than benefit shown under directors' remuneration) 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 arrangement whose object was 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.

Directors' Report (Cont'd)

DIRECTORS' REMUNERATIONS

The amounts of the remunerations of the directors or past directors of the Company comprising remunerations received/receivable from the Group and the Company during the financial year are disclosed in Note 27 to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS AND AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

SUBSIDIARIES OF THE COMPANY

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

AUDITORS

The auditors, Messrs STYL Associates, have expressed their willingness to continue in office.

AUDITORS' REMUNERATIONS

Total amounts paid or receivable by the auditors as remunerations for their statutory audit services is disclosed in Note 26 to the financial statements.

Signed on behalf of the Board of Directors,

....
CHOO SENG CHOON
Director

....
TAY MUN KIT
Director

Petaling Jaya

Date: 27 April 2018

STATEMENT BY DIRECTORS

(Pursuant to the Section 251(2) of the Companies Act, 2016 in Malaysia)

We, CHOO SENG CHOON and TAY MUN KIT, being two of the directors of VIVOCOM INTL HOLDINGS BERHAD, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 37 to 87 are properly 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 31 December 2017 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors,

....
CHOO SENG CHOON

Director

....
TAY MUN KIT

Director

Petaling Jaya

Date: 27 April 2018

STATUTORY DECLARATION

(Pursuant to the Section 251(1)(b) of the Companies Act, 2016 in Malaysia)

I, CHOO SENG CHOON, being the director primarily responsible for the financial management of VIVOCOM INTL HOLDINGS BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 37 to 87, 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, l960.

....
CHOO SENG CHOON

Subscribed and solemnly declared by the abovenamed at Petaling Jaya in the Selangor Darul Ehsan on 27 April 2018

Before me,

....
WONG CHOY YIN
Commissioner for Oaths (B508)
Petaling Jaya

Independent Auditors' Report

To the Members of Vivocom Intl Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of VIVOCOM INTL HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 37 to 87.

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 31 December 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the 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.

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.

Key audit matter	How our audit addressed the key audit matter
Goodwill	
As at 31 December 2017, the carrying amount of the Group's goodwill amounted to RM179 million. Goodwill impairment testing of cash generating units ("CGUs") relies on estimates of value-in-use based on estimated future cash flows. The Group is required to annually test the amount of goodwill for impairment. We focused on this area due to: (i) the significance of the goodwill of RM179 million (2016: RM185 million) recognised in the financial statements of the Group; and (ii) the level of the subjectivity associated with the assumptions used in estimating the value in use of the CGUs. Refer to summary of significant accounting policies in Note 2.4(b), significant accounting estimates and judgment in Note 2.5(b)(v) and the disclosure of goodwill in Note 7 to the financial statements.	Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group in performing the impairment assessment. We tested the basis of preparing the cash flow forecasts taking into account the back-testing results on the accuracy of previous forecasts and the historic evidence supporting underlying assumptions. We also assessed the appropriateness of the other key assumptions, such as the growth rates used to extrapolate the cash flows and the discount rates applied, by comparing against internal information, and external economic and market data. We also reviewed management's sensitivity and stress testing analysis and tested independently those assumptions to which the outcome of the impairment test is most sensitive.

Independent Auditors' Report (Cont'd)

To the Members of Vivocom Intl Holdings Berhad

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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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 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.

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.

Independent Auditors' Report (Cont'd)
To the Members of Vivocom Intl Holdings Berhad

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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.

- 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.

STYL ASSOCIATES
No. AF 001929
Chartered Accountants

SI CHAY BENG
No. 1200/08/2018(J)
Chartered Accountant

Petaling Jaya

Date: 27 April 2018

Statement of Financial Position

As at 31 December 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	29,595,289	33,697,833	15,089,703	15,757,941
Development expenditure	4	-	-	-	-
Intangible assets	5	-	-	-	-
Investment in subsidiaries	6	-	-	234,384,100	234,384,100
Goodwill on consolidation	7	178,829,540	185,209,540	-	-
Finance receivables	8	9,130,208	10,641,335	-	-
Deferred tax assets	9	-	-	-	-
Total non-current assets		217,555,037	229,548,708	249,473,803	250,142,041
Current assets					
Inventories	10	2,555,819	6,300,388	895,498	499,176
Finance receivables	8	5,410,959	4,055,053	-	-
Trade and other receivables	11	282,491,293	262,186,640	40,017,884	54,682,433
Tax recoverable		-	5,144	-	-
Amount owing by customers for contract work	12	54,819,772	63,257,705	-	-
Amount owing by subsidiaries	13	-	-	122,314,258	82,598,004
Fixed deposits with licensed banks	14	9,091,444	8,609,709	2,766,472	2,698,376
Cash and bank balances	15	37,765,513	30,347,576	18,804,267	28,881,335
Total current assets		392,134,800	374,762,215	184,798,379	169,359,324
TOTAL ASSETS		609,689,837	604,310,923	434,272,182	419,501,365
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	16	360,199,392	323,422,141	360,199,392	323,422,141
Share premium	17	-	17,002,801	-	17,002,801
Other reserves	18	4,806,111	4,805,580	4,797,234	4,797,234
Retained earnings		102,686,045	88,177,489	44,111,831	47,876,220
Shareholders' funds		467,691,548	433,408,011	409,108,457	393,098,396
Non controlling interests		26,442,969	19,119,825	-	-
TOTAL EQUITY		494,134,517	452,527,836	409,108,457	393,098,396
LIABILITIES					
Non-current liabilities					
Loans and borrowings	20	8,962,638	11,003,117	2,509,241	2,691,556
Deferred tax liabilities	9	386,147	383,427	21,695	33,266
Total non-current liabilities		9,348,785	11,386,544	2,530,936	2,724,822
Current liabilities					
Trade and other payables	23	62,662,210	85,991,851	3,521,665	4,519,709
Amount owing to customers for contract work	12	3,241,635	5,957,301	-	-
Amount owing to subsidiaries	13	-	-	16,586,562	14,592,146
Amount owing to directors	24	100	44,015	100	100
Loans and borrowings	20	25,802,557	26,938,801	1,509,688	2,821,205
Tax payables		14,500,033	21,464,575	1,014,774	1,744,987
Total current liabilities		106,206,535	140,396,543	22,632,789	23,678,147
TOTAL LIABILITIES		115,555,320	151,783,087	25,163,725	26,402,969
TOTAL EQUITY AND LIABILITIES		609,689,837	604,310,923	434,272,182	419,501,365

The accompanying notes form an integral part of these financial statements.

Statement of Comprehensive Income

For the Financial Year Ended 31 December 2017

		Group		Company	
		2017	2016	2017	2016
	Note	RM	RM	RM	RM
Revenue	25	183,126,527	365,898,582	11,239,377	42,897,621
Cost of sales		(131,825,519)	(268,422,135)	(8,726,542)	(24,521,527)
Gross Profit		51,301,008	97,476,447	2,512,835	18,376,094
Other income		913,859	1,187,158	105,815	363,681
Administrative expenses		(18,291,418)	(10,101,766)	(6,883,899)	(2,896,324)
Selling and distribution expenses		(194,864)	(191,857)	(9,512)	(69,302)
Other operating expenses		(10,576,060)	(4,752,893)	(15,684)	(76,192)
Operating Profit/(Loss)	26	23,152,525	83,617,089	(4,290,445)	15,697,957
Finance costs	28	(2,265,649)	(2,302,037)	(215,353)	(310,578)
Profit/(Loss) Before Taxation		20,886,876	81,315,052	(4,505,798)	15,387,379
Taxation	29	944,313	(20,476,322)	741,409	(3,380,637)
Profit/(Loss) for the Financial Year		21,831,189	60,838,730	(3,764,389)	12,006,742
Other Comprehensive Income for the Financial Year:-					
Foreign currency translation		1,042	28,657	-	-
Total Comprehensive Income/ (Deficit) for the Financial Year		21,832,231	60,867,387	(3,764,389)	12,006,742
Profit attributable to:-					
Owners of the parent		14,508,556	49,387,623	(3,764,389)	12,006,742
Non-controlling interests		7,322,633	11,451,107	-	-
		21,831,189	60,838,730	(3,764,389)	12,006,742
Total Comprehensive Income attributable to:-					
Owners of the parent		14,509,087	49,402,238	(3,764,389)	12,006,742
Non-controlling interests		7,323,144	11,465,149	-	-
		21,832,231	60,867,387	(3,764,389)	12,006,742
Basic earning per share (sen)	30	0.44	1.54		
Diluted earning per share (sen)	30	0.44	1.54		

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity
For the Financial Year Ended 31 December 2017

Group	Share Capital RM	Share Premium RM	Warrant Reserve RM	Exchange Reserve RM	Retained Earnings RM	Sub-Total RM	Non-Controlling Interests RM	Total Equity RM
	Attributable to Owners of the Company							
	Non-distributable				Distributable			
Balance at 1 January 2016	234,024,920	44,228,601	4,798,368	(6,269)	38,788,732	321,834,352	7,654,676	329,489,028
Total comprehensive income for the financial year:-								
Profit for the financial year	-	-	-	-	49,387,623	49,387,623	11,451,107	60,838,730
Other comprehensive income for the financial year	-	-	-	14,615	-	14,615	14,042	28,657
Total comprehensive income	-	-	-	14,615	49,387,623	49,402,238	11,465,149	60,867,387
Transactions with owners:-								
Renounceable rights issue with free warrants	-	37,456,304	-	-	-	37,456,304	-	37,456,304
Issue of ordinary shares	24,700,000	-	-	-	-	24,700,000	-	24,700,000
Exercised of warrants	12,793	2,324	(1,134)	-	1,134	15,117	-	15,117
Bonus shares issued	64,684,428	(64,684,428)	-	-	-	-	-	-
Total transactions with owners	89,397,221	(27,225,800)	(1,134)	-	1,134	62,171,421	-	62,171,421
Balance at 31December 2016	323,422,141	17,002,801	4,797,234	8,346	88,177,489	433,408,011	19,119,825	452,527,836
Balance at 1 January 2017	323,422,141	17,002,801	4,797,234	8,346	88,177,489	433,408,011	19,119,825	452,527,836
Total comprehensive income for the financial year:-								
Profit for the financial year	-	-	-	-	14,508,556	14,508,556	7,322,633	21,831,189
Other comprehensive income for the financial year	-	-	-	531	-	531	511	1,042
Total comprehensive income	-	-	-	531	14,508,556	14,509,087	7,323,144	21,832,231
Transactions with owners:-								
Issue of ordinary shares	19,774,450	-	-	-	-	19,774,450	-	19,774,450
Tranfer from share premium in accordance with Section 618(2) of the Companies Act,2016	17,002,801	(17,002,801)	-	-	-	-	-	-
Total transactions with owners	36,777,251	(17,002,801)	-	-	-	19,774,450	-	19,774,450
Balance at 31 December 2017	360,199,392	-	4,797,234	8,877	102,686,045	467,691,548	26,442,969	494,134,517

Statement of Changes in Equity (Cont'd)

For the Financial Year Ended 31 December 2017

	Attributable to Owners of the Company				
		Non-distributable		Distributable	
Company	**Share Capital RM**	**Share Premium RM**	**Warrant Reserve RM**	**Retained Earnings RM**	**Total Equity RM**
Balance at 1 January 2016	234,024,920	44,228,601	4,798,368	35,868,344	318,920,233
Total comprehensive income for the financial year:-	-	-	-	12,006,742	12,006,742
Transactions with owners:-					
Renounceable rights issue with free warrants	24,700,000	37,456,304	-	-	62,156,304
Expenditure for warrants issued	64,684,428	2,324	(1,134)	1,134	64,686,752
Bonus shares issued	12,793	(64,684,428)	-	-	(64,671,635)
Total transactions with owners	89,397,221	(27,225,800)	(1,134)	1,134	62,171,421
Balance at 31 December 2016	323,422,141	17,002,801	4,797,234	47,876,220	393,098,396
Total comprehensive income for the financial financial year:-	-	-	-	(3,764,389)	(3,764,389)
Transactions with owners:-					
Issue of ordinary shares	19,774,450	-	-	-	19,774,450
Transfer in accordance with Section 618(2) of the Companies Act, 2016	17,002,801	(17,002,801)	-	-	-
Total transactions with owners	36,777,251	(17,002,801)	-	-	19,774,450
Balance at 31 December 2017	360,199,392	-	4,797,234	44,111,831	409,108,457

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the Financial Year Ended 31 December 2017

	Group		Company	
	2017	2016	2017	2016
	RM	RM	RM	RM
CASH FLOWS FROM OPERATING ACTIVITIES:-				
Profit/(Loss) before taxation	20,886,876	81,315,052	(4,505,798)	15,387,379
Adjustments for:-				
Amortisation of development expenditure	-	345,629	-	224,641
Amortisation of intangible assets	-	57,634	-	57,634
Bad debts written off	88,748	4,895	-	-
Impairment loss on:-				
- trade receivables	5,926,172	-	3,670,000	-
- intangible asset	-	470,871	-	470,871
- goodwill	6,380,000	-	-	-
Depreciation of property, plant and equipment	3,904,775	3,953,880	668,238	668,231
Development expenditure written off	-	5,990,908	-	3,893,785
(Gain)/Loss on disposal of property, plant and equipment	(265,584)	62,560	-	-
Finance cost:-				
Interest income	(370,900)	(519,066)	(105,503)	(363,289)
Interest expenses	2,265,649	2,302,307	215,353	310,578
Property, plant and equipment written off	90	226,645	-	-
	38,815,826	94,211,315	(57,710)	20,649,830
Changes in working capital:-				
Inventories	3,744,569	8,457,189	(396,322)	11,187,992
Trade and other receivables	(26,319,573)	(173,382,080)	10,994,549	(30,713,008)
Trade and other payables	(23,329,641)	50,213,464	(998,044)	(1,699,740)
Amount owing by customers for contract work	5,722,267	(22,452,328)	-	-
	(1,366,552)	(42,952,440)	9,542,473	(574,926)
Tax paid	(6,013,615)	(5,780,314)	(375)	(13,404)
Tax refunded	1,250	62,750	-	-
Interest received	370,900	519,066	105,503	363,289
Net Operating Cash Flows	(7,008,017)	(48,150,938)	9,647,601	(225,041)

Statement of Cash Flows (Cont'd)
For the Financial Year Ended 31 December 2017

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
CASH FLOWS FROM INVESTING ACTIVITIES:-				
Amount owing by subsidiaries	-	-	(39,716,254)	(62,971,683)
Acquisition of a subsidiary	-	(100)	-	(100)
(Placement)/Withdrawal of fixed deposits pledged to banks	(481,735)	973,023	-	-
Proceeds from disposal of property, plant and equipment	1,281,719	700,130	-	-
Purchase of property, plant and equipment	(818,456)	(8,945,205)	-	(1,276)
Net Investing Cash Flows	(18,472)	(7,272,152)	(39,716,254)	(62,973,059)
CASH FLOWS FROM FINANCING ACTIVITIES:-				
Amount owing to directors	(43,915)	(6,565)	-	(5,406)
Amount owing to subsidiaries	-	-	1,994,416	14,592,146
Finance receivables	155,221	3,449,619	-	-
Issuance of right issue	-	62,156,304	-	62,156,304
Issuance of ordinary shares	19,774,450	-	19,774,450	-
Issuance of warrants	-	15,117	-	15,117
Repayment of hire purchase payables, net	(975,997)	(1,758,065)	-	-
Repayment of term loans	(1,761,493)	(1,465,275)	(173,701)	(953,596)
(Repayment)/Drawdown of short term borrowings, net	(1,147,825)	2,704,364	(1,728,000)	(2,880,750)
Interest paid	(2,265,649)	(2,302,307)	(215,353)	(310,578)
Net Financing Cash Flows	13,734,792	62,793,192	19,651,812	72,613,237
NET CHANGE IN CASH AND CASH EQUIVALENTS	6,708,303	7,370,102	(10,416,841)	9,415,137
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	1,042	28,657	-	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	29,443,520	22,044,761	31,579,711	22,164,574
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	36,152,865	29,443,520	21,162,870	31,579,711
ANALYSIS OF CASH AND CASH EQUIVALENTS:-				
Cash and bank balances	37,765,513	30,347,576	18,804,267	28,881,335
Fixed deposits with licensed banks	-	-	2,766,472	2,698,376
Bank overdrafts	(1,612,648)	(904,056)	(407,869)	-
	36,152,865	29,443,520	21,162,870	31,579,711

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

1. GENERAL INFORMATION

The Company is principally engaged in provision telecommunication engineering and services and investment holding. The principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes to the nature of these principal activities during the financial year.

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

The registered office of the Company is located at 149A, Jalan Aminuddin Baki, Taman Tun Dr Ismail, 60000 Kuala Lumpur.

The principal place of business of the Company is located at 6-8, Jalan Seri Utara 1, Batu 7, Off Jalan Ipoh, 68100 Kuala Lumpur Wilayah Persekutuan Malaysia and Lot 6800 - 6801, 1st Floor, Wisma Instacom, Lorong 37, Jalan Stampin Baru, 93350 Kuching, Sarawak.

The financial statements are expressed in Ringgit Malaysia.

The financial statements of the Group and of the Company have been authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 April 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, other than as disclosed in the significant accounting policies in Note 2.4 to the financial statements.

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 reported period. It also requires directors to exercise their judgement in the process of applying the Group's and 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 assumptions and estimates are significant to the financial statements are disclosed in Note 2.5 to the financial statements.

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int")

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2018

- MFRS 9, Financial Instruments (2014)
- MFRS 15, Revenue from Contracts with Customers
- Clarifications to MFRS 15, Revenue from Contracts with Customers
- IC Interpretation 22, Foreign Currency Transactions and Advance Consideration
- Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 2, Share-based Payment – Classification and Measurement of Share-based Payment Transactions
- Amendments to MFRS 4, Insurance Contracts – Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
- Amendments to MFRS 128, Investments in Associates and Joint Ventures (Annual Improvements to MFRS Standards 2014-2016 Cycle)
- Amendments to MFRS 140, Investment Property – Transfers of Investment Property

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2019

- MFRS 16, Leases
- IC Interpretation 23, Uncertainty over Income Tax Treatments
- Amendments to MFRS 3, Business Combinations (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 9, Financial Instruments – Prepayment Features with Negative Compensation
- Amendments to MFRS 11, Joint Arrangement (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 112, Income Taxes (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 123, Borrowing Costs (Annual Improvements to MFRS Standards 2015-2017 Cycle)
- Amendments to MFRS 128, Investments in Associate and Joint Ventures – Long-term Interests in Associates and Joint Ventures

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2021

- MFRS 17, Insurance Contracts

MFRSs, Interpretations and amendments effective for annual periods on or after a date yet to be confirmed

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Group and the Company plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 January 2018 for the accounting standard, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2018.
- from the annual period beginning on 1 January 2019 for the accounting standard, amendments or interpretations that are effective for annual periods beginning on or after 1 January 2019.

The Group and the Company do not plan to apply MFRS 17, Insurance Contracts that is effective for annual period beginning on 1 January 2021 as it is not applicable to the Group and the Company.

The initial application for the accounting standards, amendments or interpretations are not expected to have any material financial impacts to the current period or prior period financial statements of the Group and of the Company except as mentioned below:

(i) MFRS 9 Financial Instruments

MFRS 9 replaces the guidance in MFRS 139 Financial Instruments: Recognition and Measurement on the classification and measurement of financial assets and financial liabilities, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. MFRS 9 also introduces a new impairment model with a forward-looking expected credit loss (ECL) model.

The Group has assessed the estimated impact that the initial application of MFRS 9 will have on their financial statements as at 1 January 2018. Based on the assessment, the Group do not expect the application of MFRS 9 to have a significant impact on their financial statements.

(ii) MFRS 15 Revenue from Contracts with Customers

MFRS 15 replaces the guidance in MFRS 111, Construction Contracts, MFRS 118 Revenue, IC Interpretation 13 Customer Loyalty Programmes, IC Interpretation 15, Agreements for Construction of Real Estate, IC Interpretation 18, Transfers of Assets from Customers and IC Interpretation 131, Revenue - Barter Transactions Involving Advertising Services.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 New MFRSs, Amendments/Improvements to MFRSs and New IC Interpretations ("IC Int") (Continued)

(ii) MFRS 15 Revenue from Contracts with Customers (Continued)

MFRS 15 provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligation. The standard specifies that the revenue is to be recognised when control over the goods or services is transferred to customer, moving from the transfer of risks and rewards.

The Group has assessed the estimated impact that the initial application of MFRS 15 will have on their financial statements as at 1 January 2018. Based on the assessment, the Group do not expect the application of MFRS 15 to have a significant impact on their financial statements.

(iii) MFRS 16 Leases

MFRS 16 replaces the guidance in MFRS 117, Leases, IC Interpretation 4, Determining whether an Arrangement contains a Lease, IC Interpretation 115, Operating Lease - Incentive and IC Interpretation 127, Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

MFRS 16 introduces a single on-balance-sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continue to be classified as finance or operating lease.

The Group is currently assessing the financial impact that may arise from the adoption of MFRS 16.

2.3 New Companies Act effective beginning 31 January 2017

The Companies Act 2016 ("New Act") was enacted to replace the Companies Act 1965 with the objectives to create a legal and regulatory structure that will facilitate business, and promote accountability as well as protection of corporate directors and shareholders, taking into consideration the interest of other stakeholders.

The New Act was passed on 4 April 2016 by the Dewan Rakyat (House of Representative) and gazetted on 15 September 2016. On 26 January 2017, the Minister of Domestic Trade, Co-operatives and Consumerism announced that the date on which the New Act comes into operation, except section 241 and Division 8 of Part III of the New Act, would be 31 January 2017.

Amongst the key changes introduced in the New Act which will affect the financial statements of the Group and of the Company upon the commencement of the New Act on 31 January 2017 are:

(i) removal of the authorised share capital;
(ii) shares of the Company will cease to have par or nominal value; and
(iii) the Company's share premium account will become part of the Company's share capital.

Notwithstanding this provision, the Company may within 24 months from the commencement of the New Act, use the amount standing to the credit of its share premium account for purposes as set out in Section 618(3). There is no impact on the numbers of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The adoption of the New Act is not expected to have any financial impact on the Group and the Company for the current financial year as any accounting treatment implications will only be applied prospectively, if applicable.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements:-

(a) Basis of Consolidation

(i) Subsidiaries

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

The Group adopted MFRS 10, Consolidated Financial Statements in the current financial year. This resulted in changes to the following policies:
- Control exists when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In the previous financial years, control exists when the Group has the ability to exercise its power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- Potential voting rights are considered when assessing control only when such rights are substantive. In the previous financial years, potential voting rights are considered when assessing control when such rights are presently exercisable.
- The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return. In the previous financial years, the Group did not consider de facto power in its assessment of control.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is held for sale or distribution. The cost of investments includes transactions costs.

The accounting policies of subsidiaries are changed when necessary to align them with the policies adopted by the Group.

(ii) Accounting for Business Combinations

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

From 1 January 2011, the Group has applied MFRS 3 Business Combination (Revised) in accounting for business combinations. The change in accounting policy has been applied prospectively in accordance with the transitional provisions provided by the standard and does not have impact on earnings per share.

For acquisition on or after 1 January 2011, the Group measures goodwill at the acquisition date as:-
- The fair value of the consideration transferred; plus
- The recognised amount of any non-controlling interest in the acquiree; plus
- If the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- The net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

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

Costs related to the acquisition, 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.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(a) Basis of Consolidation (Continued)

(ii) Accounting for Business Combinations (Continued)

For acquisition between 1 January 2006 and 1 January 2011, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

For acquisition prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in fair values of the net identifiable assets and liabilities.

(iii) Accounting for Acquisition of Non-Controlling Interest

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

(iv) Loss of Control

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

In the previous financial years, if the Group retained any interest in the previous subsidiary, such interest was measured at the carrying amount at the date that control was lost and this carrying amount would be regarded as cost in initial measurement of the investment.

(v) Non-controlling Interest

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

Since the beginning of the reporting period, the Group has applied MFRS 127 Consolidated and Separate Financial Statements (Revised) where losses applicable to the non-controlling interest in a subsidiary are allocated to the non-controlling interest even if doing so causes the non-controlling interest to have a deficit balance. This change in accounting policy is applied prospectively in accordance with the transitional provisions of the standard and does not have impact on earnings per share.

Where losses applicable to the non-controlling interest exceed their interests in the equity of a subsidiary, the excess, and any further losses applicable to the non-controlling interest, were charged against the Group's interest except to the extent that the non-controlling interest had a binding obligation to, and was able to make additional investment to cover the losses. If the subsidiary subsequently reported profits, the Group's interest was allocated with all such profits until the non-controlling interest's share of losses previously absorbed by the Group had been recovered.

(vi) Transactions Eliminated on Consolidation

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

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(b) Goodwill on Consolidation

Goodwill is measured as the excess of consideration transferred, any non-controlling interests and the acquisition-date fair value of any previously-held equity interest over the fair value of the Group's share of the identifiable net assets acquired. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the business combination.

The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(c) Property, Plant and Equipment and Depreciation

All property, plant and equipment are initially stated at cost. After recognition as an asset, items of property, plant and equipment are carried at cost less accumulated depreciation and any accumulated impairment losses, except for freehold land, factory building under construction and plant, machinery and equipment under installation. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(k).

Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The cost of replacing 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 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.

Freehold lands are not depreciated as it has an infinite life. Leasehold land is amortised in equal instalments over the period of 55 years. All other property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to its residual value over the estimated useful lives of the assets concerned. The annual rates used for this purpose are as follows:-

Factory	2%
Leasehold land and building	55 years
Computers, telecommunication and electronic equipment	10% - 33%
Machinery and tools	10% - 20%
Motor vehicles	10% - 20%
Office equipment, furniture and fittings	10% - 33%
Base stations and network operation centres	15 years
Staff quarters	10% - 33%
Renovation	10% - 33%
Scaffolding	10% - 33%

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(c) Property, Plant and Equipment and Depreciation (Continued)

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revisions of the residual values and useful lives are included in the profit or loss for the financial year in which the changes arise.

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 included in the profit or loss in the financial year the asset is derecognised.

(d) Leases and Hire Purchase

(i) Finance Leases and Hire Purchase

Assets financed by finance leases and hire purchase arrangements which transfer substantially all the risks and rewards of ownership to the Group are capitalised as property, plant and equipment, and the corresponding obligations are treated as liabilities. The assets so capitalised are depreciated in accordance with the accounting policy on property, plant and equipment.

Assets acquired by way of finance leases and hire purchase arrangements are stated at an amount equal to the lower of their fair values and the present value of minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.4(k) to the financial statements. The corresponding liability is included in the statement of financial position as borrowings. In calculating the present value of minimum lease payments, the discount factor used is the interest rate implicit in the lease, when it is practicable to determine; otherwise, the Group's incremental borrowing rate is used. Property, plant and equipment acquired under finance leases and hire purchase are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Lease payments are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are recognised as an expense in the profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

(ii) Operating Leases

An operating lease is a lease other than a finance lease. Lease payments under operating lease are recognised as an expense in the profit or loss on a straight line basis over the lease period.

(iii) Leases of Land and Buildings

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payment and is amortised on a straight-line basis over the lease term.

(e) Inventories

Inventories of finished goods, work-in-progress and raw materials are stated at the lower of cost and net realisable value. The cost of inventories is measured based on weighted average basis.

The cost of work-in-progress includes cost of raw materials, consumables, direct labour and an appropriate allocation of overhead. The cost of raw materials includes the original purchase price plus costs incurred to bring the inventories to their present locations and conditions.

Net realisable value is estimated based on the most reliable evidence available at the time the estimates are made as to what the inventories are expected to realise upon completion of the cycle.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(f) 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.

A financial instrument is recognised initially, at its fair value, plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

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 at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable to transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets

Financial assets at fair value through profit or loss

Financial assets are classified as fair value through profit or loss if they are held for trading, including derivatives, or are designated as such 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. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised as other gains or losses in the profit or loss.

Loans and receivables

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

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity that are quoted in an active market and the Group have the positive intention and ability to hold the investment to maturity is classified as held-to-maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(f) Financial Instruments (Continued)

(i) Financial Assets (Continued)

Available-for-sale financial assets

Available-for-sale are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value with the gain or loss recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

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

(ii) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

Other financial liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

(iii) 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 in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are classified as deferred income and are amortised to profit or loss over the contractual period or, upon discharge of the guarantee. When settlement of a financial guarantee contract becomes probable, an estimate of the obligation is made. If the carrying value of the financial guarantee contract is lower than the obligation, the carrying value is adjusted to the obligation amount and accounted for as a provision.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(f) Financial Instruments (Continued)

(iv) 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 of the marketplace concerned.

A regular way purchase or sale of financial asset is recognised and derecognised, as applicable, using trade date accounting. Trade date accounting refers to:-

- the recognition of an asset to be received and the liability to pay for it on the trade date; and
- 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.

(v) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid is recognised in profit or loss.

(g) Provision for Liabilities

Provision for liabilities are recognised when the Group has 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.

Provisions are reviewed at the end of each reporting period 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. 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.

(h) Share Capital

Ordinary shares are recorded at the nominal value and the consideration in excess of nominal value of shares issued, if any, is accounted for as share premium. Both ordinary shares and share premium are classified as equity.

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the end of the reporting period. A dividend proposed or declared after the end of the reporting period, but before the financial statements are authorised for issue, is not recognised as a liability at the end of the reporting period.

Costs incurred directly attributable to the issuance of the shares are accounted for as a deduction from share premium, if any, otherwise it is charged to the profit or loss. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

(i) Foreign Currency Translation

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and presentation currency.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(i) Foreign Currency Translation (Continued)

Transactions in foreign currencies are translated into RM at rates of exchange ruling at transaction dates. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated into Ringgit Malaysia at the foreign exchange rates ruling at that date. Exchange differences arising from the settlement of foreign currency transactions and from the translation of foreign currency monetary assets and liabilities are included in the profit or loss.

Non-monetary items are measured in terms of historical cost in a foreign currency or translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(j) Cash and Cash Equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise of cash in hand, bank balances, demand deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated at net of bank overdrafts and deposits pledged to the financial institution.

(k) Impairment

The Group and the Company assess at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

(i) Impairment of Financial Assets

Trade and other receivables

To determine whether there is objective evidence that an impairment loss on financial assets have been occurred, the Group and the Company consider factors such as the probability of insolvency or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increased in the number of delayed payments in the portfolio past the average credit period and the observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(k) Impairment (Continued)

(ii) Impairment of Non-financial Assets

The Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down 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 are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss 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. Impairment loss on goodwill is not reversed in a subsequent period.

(l) Revenue

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

(i) Construction and Service Contracts

Revenue from providing telecommunication engineering works is recognised when the work has been completed.

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion method as described in Note 2.4(t).

(iii) Revenue from Aluminium Parts

Revenue from progress payments received and receivable on gross sales value less trade discounts and returns.

(iv) Revenue from Service

Revenue from services rendered is recognised on accruals basis when the services are rendered.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(l) Revenue (Continued)

(v) Revenue from Maintenance Contract

Revenue on maintenance contract is recognised on accrual basis when the services are rendered.

(vi) Interest Income

Interest income is recognised on a time proportion basis that reflects the effective yield on the assets.

(vii) Rental Income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements.

(m) Employee Benefits

(i) Short Term Employee Benefits

Wages, salaries, social security contribution, bonuses and non-monetary benefits are accrued in the period in which the associated services are rendered by the employees. Short term accumulating compensated absences such as paid annual leave are recognised when services rendered by the employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Post-employment Benefits

The Group contributes to the Employees' Provident Fund, the national defined contribution plan. The contributions are charged to the profit or loss in the period to which the related service is performed. Once the contributions have been paid, the Group has no further payment obligations.

(n) Income Tax

The tax expense in the profit or loss represents the aggregate amount of current tax and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity or other comprehensive income.

Current tax expense is the expected tax payable or receivable in respect of the taxable profit or loss for the financial year and is measured 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 years.

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

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

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

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(o) Borrowing Costs

Borrowing costs are capitalised as part of the cost of qualifying asset if they directly attributable to the acquisition of the assets. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with borrowing of fund.

(p) Earnings Per Share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by 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, which comprise convertible notes, bonus issue and share options granted to employees.

(q) Operating Segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(r) 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.

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

(s) Intangible asset

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the Company and the cost of the assets can be measured reliably.

Cost recognised with internally generated intangible assets arising from research activities are recognised in profit or loss in the period in which the expenditure is incurred.

An internally generated intangible asset arising from development activities is recognised only when all of the following conditions are demonstrated:-
- the technical feasibility of completing the intangible assets so that it will be available for use or sale;
- the intention to complete the intangible asset and thereafter use it or sell it;
- the ability to either use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and thereafter use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Significant Accounting Policies (Continued)

(s) Intangible asset (Continued)

Other development expenditure is recognised in profit or loss as and when it is incurred. Capitalised development expenditure are recorded as intangible assets and amortised from that point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful life.

The estimated useful lives of capitalised development expenditure are over a period of fifteen years. Software licence and intellectual property rights both are over a period of twenty years.

After initial recognition, internally generated intangible assets are stated at cost less any accumulated amortisation and impairment losses. The amortisation period and method are reviewed at least at the end of each reporting period. Amortisation will commence once the development work is completed.

The carrying amounts of intangible assets are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Any gain or loss from derecognition of an intangible assets, determined as the difference between the net disposal proceeds, if any, and the carrying amounts of the asset, is recognised in profit or loss. Neither the sale proceeds nor any gain on disposal is classified as revenue.

(t) Construction Contracts

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognised by reference to the stage of completion of the contract activity at the financial position date, based on work performed as certified by architects. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract cost incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately as an allowance for foreseeable loss.

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.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(u) Warrants

The issues of ordinary shares upon exercise of the warrants are treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants.

2.5 Significant Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements Made in Applying Accounting Policies

There are no critical judgements made by the management in the application of accounting policies of the Group that have a significant effect on the financial statements.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Significant Accounting Estimation and Judgements (Continued)

(b) Key Sources of Estimation Uncertainty

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

(i) Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets.

In addition, the estimation of the useful lives of property, plant and equipment are based on internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

(ii) Impairment of Investment in Subsidiaries

The Group tests investment in subsidiaries for impairment annually in accordance with its accounting policy. More regular reviews are performed if events indicate that this is necessary.

Significant judgement is required in the estimation of the present value of future cash flows generated by the subsidiaries which involve uncertainties and are significantly affected by assumptions used and judgement made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the results of the Group's tests for impairment of investment in subsidiaries.

The management determined the recoverable amount of the investment in subsidiaries based on the individual assets' value in use and the probability of the realisation of the assets. The present value of the future cash flows to be generated by the asset is the asset's value in use, and it is assumed to be the same as the net worth of the asset as at the end of the reporting period. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

(iii) Impairment of Property, Plant and Equipment

The Group 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.

Recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value-in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimates calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information.

As at end of reporting period, the directors of the Group are of the opinion that there is no impact resulting from the impairment review by the management.

Notes to the Financial Statements (Cont'd)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Significant Accounting Estimation and Judgements (Continued)

(b) Key Sources of Estimation Uncertainty(Continued)

(iv) Impairment of Loans and Receivables

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 11 to the financial statements.

(v) Impairment of Goodwill, Development Expenditure and Intangible Assets

The Group perform an annual assessment of the carrying value of its goodwill, development expenditure and intangible assets against the recoverable amount of the cash-generating units ("CGU") to which the goodwill, development expenditure and intangible assets have been allocated. The measurement of the recoverable amount of CGUs are determined based on the value in use method, incorporating the present value of estimated future cash flows expected to arise from the respective CGU's ongoing operations. Management estimates and judgements are used in the determination of the assumptions made, particularly the cash flow projections, discount rates and the growth rates used. The estimation of pre-tax cash flows is sensitive to the periods for which the forecasts are available and to assumptions regarding the long-term sustainable cash flows, and reflect management's view of future performance.

(vi) Income Taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

(vii) Construction Contracts

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

Significant judgements is required in determining the stage of completion, the extent of contract costs incurred, the estimated total costs, as well as the recoverability of the construction projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(viii) Net Realisable Values of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuations of inventories.

Notes to the Financial Statements (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land and factory RM	Leasehold land and bulding RM	Computers telecom-munication and electronic equipment RM	Machinery and tools RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Base stations and network operation centres RM	Staff quarters RM	Renovation RM	Scaf-folding RM	Total RM
Cost											
At 1 January 2017	14,760,000	2,045,122	6,055,501	5,482,734	6,344,160	2,491,718	8,415,967	24,605	448,401	333,714	46,401,922
Additions	-	-	69,631	541,701	106,376	100,748	-	-	-	-	818,456
Disposals	-	-	(22,360)	(101,900)	(2,143,223)	(2,598)	-	-	-	-	(2,270,081)
Written off	-	-	(21,176)	-	-	-	-	-	-	-	(21,176)
At 31 December 2017	14,760,000	2,045,122	6,081,596	5,922,535	4,307,313	2,589,868	8,415,967	24,605	448,401	333,714	44,929,121
Accumulated depreciation											
At 1 January 2017	267,142	293,919	4,674,464	2,434,732	3,270,293	959,385	654,575	12,919	70,751	65,909	12,704,089
Charge for the financial year	179,200	39,682	875,597	1,115,689	762,590	252,926	561,065	-	46,184	71,842	3,904,775
Disposals	-	-	(22,360)	(93,618)	(1,135,705)	(2,263)	-	-	-	-	(1,253,946)
Written off	-	-	(21,086)	-	-	-	-	-	-	-	(21,086)
At 31 December 2017	446,342	333,601	5,506,615	3,456,803	2,897,178	1,210,048	1,215,640	12,919	116,935	137,751	15,333,832
Net book value at 31 December 2017	14,313,658	1,711,521	574,981	2,465,732	1,410,135	1,379,820	7,200,327	11,686	331,466	195,963	29,595,289
Cost											
At 1 January 2016	8,060,000	2,045,122	5,788,344	4,506,698	8,021,161	2,317,868	8,415,967	24,605	919,043	101,984	40,200,792
Additions	6,700,000	-	428,881	976,036	234,532	220,484	-	-	153,542	231,730	8,945,205
Disposals	-	-	(161,724)	-	(1,825,383)	(46,634)	-	-	-	-	(2,033,741)
Written off	-	-	-	-	(86,150)	-	-	-	(624,184)	-	(710,334)
At 31 December 2016	14,760,000	2,045,122	6,055,501	5,482,734	6,344,160	2,491,718	8,415,967	24,605	448,401	333,714	46,401,922
Accumulated depreciation											
At 1 January 2016	171,942	256,698	4,138,160	1,365,685	3,268,483	743,006	93,511	10,458	457,006	-	10,504,949
Charge for the financial year	95,200	37,221	673,935	1,069,047	1,115,939	259,361	561,064	2,461	73,743	65,909	3,953,880
Disposals	-	-	(137,631)	-	(1,090,438)	(42,982)	-	-	-	-	(1,271,051)
Written off	-	-	-	-	(23,691)	-	-	-	(459,998)	-	(483,689)
At 31 December 2016	267,142	293,919	4,674,464	2,434,732	3,270,293	959,385	654,575	12,919	70,751	65,909	12,704,089
Net book value at 31 December 2016	14,492,858	1,751,203	1,381,037	3,048,002	3,073,867	1,532,333	7,761,392	11,686	377,650	267,805	33,697,833

Notes to the Financial Statements (Cont'd)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Company	Freehold land and factory RM	Computers, telecom-munication electronic equipment RM	Machinery and tools RM	Motor vehicles RM	Office equipment, furniture and fittings RM	Base stations and network operation centres RM	Total RM
Cost							
At 1 January 2017	8,060,000	251,801	2,300	350,000	31,527	8,415,967	17,111,595
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 December 2017	8,060,000	251,801	2,300	350,000	31,527	8,415,967	17,111,595
Accumulated depreciation							
At 1 January 2017	225,142	111,635	1,725	350,000	10,577	654,575	1,353,654
Charge for the financial year	53,200	50,360	460	-	3,153	561,065	668,238
At 31 December 2017	278,342	161,995	2,185	350,000	13,730	1,215,640	2,021,892
Net book value at 31 December 2017	7,781,658	89,806	115	-	17,797	7,200,327	15,089,703
Cost							
At 1 January 2016	8,060,000	250,525	2,300	350,000	31,527	8,415,967	17,110,319
Additions	-	1,276	-	-	-	-	1,276
At 31 December 2016	8,060,000	251,801	2,300	350,000	31,527	8,415,967	17,111,595
Accumulated depreciation							
At 1 January 2016	171,942	61,281	1,265	350,000	7,424	93,511	685,423
Charge for the financial year	53,200	50,354	460	-	3,153	561,064	668,231
At 31 December 2016	225,142	111,635	1,725	350,000	10,577	654,575	1,353,654
Net book value at 31 December 2016	7,834,858	140,166	575	-	20,950	7,761,392	15,757,941

(a) Included under property, plant and equipment are freehold land, leasehold land and buildings which are charged as security for the bank and credit facilities of the Group as disclosed in Note 20 to the financial statements.

(b) The net book value of motor vehicles and machinery of the Group held under hire purchase payables is RM1,834,060/- (2016: RM3,251,584/-).

Notes to the Financial Statements (Cont'd)

4. DEVELOPMENT EXPENDITURE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cost				
At 1 January	-	6,912,586	-	4,492,828
Written off during the year	-	(6,912,586)	-	(4,492,828)
At 31 December	-	-	-	-
Accumulated amortisation				
As at 1 January	-	576,049	-	374,402
Amortisation charge during the year	-	345,629	-	224,641
Written off during the year	-	(921,678)	-	(599,043)
At 31 December	-	-	-	-
Carrying amount				
At 31 December	-	-	-	-

Development expenditure includes labour cost and other related cost incurred for the development and training of new skillset for the implementation and carrying out of works for Outside Plant ("OSP") site. OSP works includes civil and cabling with in-house HDD machinery and whole complement of equipment to undertake fibre infrastructure work.

The development and training have been completed during the financial year, and amortisation provided from the date of development expenditure rolled out.

The development expenditure are amortised on a straight line basis over 15 years. The amortisation of development expenditure is included in the "cost of sales" in the statements of comprehensive income.

5. INTANGIBLE ASSETS

The software licences consist of a perpetual and exclusive software licensing rights to use and integrate the acquire software into the Company's products and to reproduce, market, sell, distribute and sub-licence the software to third parties and end-users.

The intellectual property rights ("IPR") were acquired from a director on a willing buyer and willing seller arrangement. Pursuant to the agreement, the assignor, the director of the Company being the proprietor of the IPR, assigns the IPR to the Company in the work, including all associated product designs, proprietary processes, human capital, customer maintenance contract, development rights and know how processes.

Group and Company	Software licences RM	Intellectual property rights RM	Total RM
2017			
Cost			
At 1 January 2017/ 31 December 2017	4,500,000	4,000,000	8,500,000
Accumulated amortisation			
At 1 January 2017/ 31 December 2017	754,737	1,937,985	2,692,722
Impairment losses			
At 1 January 2017/ 31 December 2017	3,745,263	2,062,015	5,807,278
Carrying amount			
At 1 January 2017/ 31 December 2017	-	-	-

Notes to the Financial Statements (Cont'd)

5. INTANGIBLE ASSETS (Continued)

Group and Company	Software licences RM	Intellectual property rights RM	Total RM
2016			
Cost			
At 1 January 2016/ 31 December 2016	4,500,000	4,000,000	8,500,000
Accumulated amortisation			
At 1 January 2016	724,256	1,910,832	2,635,088
Amortisation charge during the year	30,481	27,153	57,634
At 31 December 2016	754,737	1,937,985	2,692,722
Impairment losses			
At 1 January 2016/ 31 December 2016	3,410,156	1,926,251	5,336,407
Impairment charge during the year	335,107	135,764	470,871
At 31 December 2016	3,745,263	2,062,015	5,807,278
Carrying amount			
At 31 December 2016	-	-	-

The software licences and intellectual property rights are amortised on a straight line basis over 20 (2016: 20) years. The amortisation of software licences and intellectual property rights are included in the "Administrative expenses" in the statement of comprehensive income.

The impairment losses of software licences and intellectual property rights amounted to Nil (2016: RM3,745,263/-) and Nil (2016: RM2,062,015/-) respectively, representing the write down of recoverable amount and recognised in statements of comprehensive income.

6. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM	2016 RM
Unquoted shares, at cost		
At 1 January	234,384,100	234,384,000
Acquisition of a subsidiary during the year	-	100
At 31 December	234,384,100	234,384,100

All subsidiaries are incorporated in Malaysia, except Teltora (Pty) Ltd. Details of the subsidiaries are as follows:-

Name of Companies	Effective Equity Interest 2017 %	2016 %	Principal Activities
Direct Subsidiaries			
Instacom Engineering Sdn. Bhd.	100	100	Telecommunication engineering and services
Neata Aluminium (Malaysia) Sdn. Bhd.	78.6	78.6	Fabrication and installations aluminium doors and windows
Teltora (Pty) Ltd *#@	51	51	Dormant
Vivocom Trading Sdn. Bhd.	100	100	Trading of construction materials

Notes to the Financial Statements (Cont'd)

6. INVESTMENT IN SUBSIDIARIES (Continued)

All subsidiaries are incorporated in Malaysia, except Teltora (Pty) Ltd. Details of the subsidiaries are as follows:- (Continued)

Name of Companies	Effective Equity Interest 2017 %	2016 %	Principal Activities
Indirect Subsidiaries			
Held through Instacom Engineering Sdn. Bhd.			
Instacom SPV Sdn. Bhd.	100	100	Incorporated as the funding vehicle for the purpose of issuance of Islamic Medium Term Notes in accordance to the Syariah Principle of Muradabahah
Instacom Construction Sdn. Bhd.	100	100	Telecommunication engineering and services
Instacom Technologies Sdn. Bhd.	100	100	Trading in telecommunication, electrical and civil engineering equipment, tools and materials but has not commenced operations during the year
IE Communication Sdn. Bhd.	100	100	Investment holding company
Held through IE Communication Sdn. Bhd.			
Dektaria Delima Sdn. Bhd.	100	100	Investment holding company
Dynamic Interconsortium Sdn. Bhd.	100	100	Dormant
Held through Neata Aluminium (Malaysia) Sdn. Bhd.			
Vivocom Enterprise Sdn. Bhd.	100	100	Construction services

* *Audited by audit firm other than STYL Associates.*
\# *Subsidiary incorporated in South Africa.*
@ *The audited financial statements and auditor's report for the financial year were not available. However, the financial statements of Teltora (Pty) Ltd used for consolidation purposes was reviewed by STYL Associates. The non-controlling interest and financial information of Teltora (Pty) Ltd have not been presented as it is immaterial.*

(a) Acquisition of company - Vivocom Trading Sdn. Bhd.

On 7 October 2016, the Company acquired 100% equity interest of Vivocom Trading Sdn Bhd consisting of 100 ordinary shares of RM1/- each, for a total cash consideration of RM100/-.

7. GOODWILL ON CONSOLIDATION

	Group 2017 RM	2016 RM
At 1 January	185,225,746	185,225,746
Less: Impairment losses	(6,396,206)	(16,206)
At 31 December	178,829,540	185,209,540

Goodwill arising from business combination has been allocated to a cash-generating unit ("CGU") for impairment testing purpose. The carrying amount of goodwill amounted to, RM109,449,722 and RM69,379,818/- has been allocated to the investment in Neata Aluminium (Malaysia) Sdn. Bhd.and Instacom Engineering Sdn. Bhd. respectively.

Notes to the Financial Statements (Cont'd)

7. GOODWILL ON CONSOLIDATION (Continued)

During the financial year, an impairment of RM6,380,000/- was recognised for the goodwill allocated to investment in Instacom Engineering Sdn. Bhd. as the recoverable amount is less than the carrying amount.

The recoverable amount of the CGU is determined based on the value in use calculations using cash flow projections on financial budgets approved by directors covering a five-year period. The future cash flows are based on management's five-years business plan, which is the best estimate of future performance.

The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flows beyond the five years period are 6.00% and 4.77% respectively.

The calculation of value in use for this CGU is most sensitive to the following assumptions:-

(a) Budgeted growth margin – Gross margin is based on average values achieved in the three years preceding the start of the budget period. The anticipated growth rate for gross margin is projected to be minimal.

(b) Growth rates – Based on industry outlook for that segment and directors past experience.

(c) Pre-tax discount rate – Discount rate of 6.00% represents the weighted average cost of capital of the CGU.

The value assigned to the key assumptions represents directors' assessment of future trends in the aluminium fabrication, construction services, telecommunication engineering and services industry and are based on both external sources and internal sources (historical data).

Sensitivity to changes in assumptions

Directors believe that no reasonable possible changes in any of the key assumptions above will cause the carrying values of the CGU to materially exceed its recoverable amount.

8. FINANCE RECEIVABLES

	Group	
	2017 RM	**2016 RM**
Non-current	9,130,208	10,641,335
Current	5,410,959	4,055,053
	14,541,167	14,696,388
Less: Allowance for impairment	-	-
Total finance receivables	14,541,167	14,696,388

A wholly-owned subsidiary of the Company, Instacom Engineering Sdn. Bhd. ("IESB") had entered into Teaming Agreements with several contractors ("Contractors") for the purpose of procuring telecommunication projects in construction of telecommunication towers, fibre optic ducting and related infrastructures.

The terms and conditions of the Teaming Agreements stated that IESB is responsible for the funding of site procurement, design, funding and construction of the structures of the telecommunication projects. IESB and Contractors are entitled for the rental proceeds receivable from Telecommunications Service Provider ("TSP") for a period of eighty-four (84) months.

Finance receivables are the rental proceeds with the maturity ranging from 1 to 7 years (2016:1 to 7 years) and are financed by banking facilities as disclosed in Note 22 to the financial statement.

Notes to the Financial Statements (Cont'd)

9. DEFERRED TAXATION

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 January	(383,427)	1,201,573	(33,266)	1,588,980
Recognised in profit or loss (Note 29)	(2,720)	(1,585,000)	11,571	(1,622,246)
At 31 December	(386,147)	(383,427)	(21,695)	(33,266)
Presented after appropriate offsetting as follows:-				
Deferred tax assets	-	-	-	-
Deferred tax liabilities	(386,147)	(383,427)	(21,695)	(33,266)
	(386,147)	(383,427)	(21,695)	(33,266)

The components and movements of deferred tax assets and liabilities during the financial year prior to offsetting are as follows:-

(a) Deferred tax assets

	Group and Company Unabsorbed business losses RM
At 1 January 2016	(1,588,980)
Recognised in profit or loss	1,588,980
At 31 December 2016	-
Recognised in profit or loss	-
At 31 December 2017	-

Deferred tax assets have not been recognised in respect of the following items:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Property, plant and equipment	(167,278)	603,957	-	-
Unabsorbed losses carry forward	(7,909,870)	(7,697,756)	-	-
Unrealised capital allowance carry forward	(5,656,738)	(5,763,221)	-	-
	(13,733,886)	(12,857,020)	-	-
Potential deferred tax assets not recognised	(3,296,133)	(3,085,685)	-	-

(b) Deferred tax liabilities

	Group	Company
	Property, plant and equipment	
	RM	RM
At 1 January 2016	(387,407)	-
Recognised in profit or loss	3,980	(33,266)
At 31 December 2016	(383,427)	(33,266)
Recognised in profit or loss	(2,720)	11,571
At 31 December 2017	(386,147)	(21,695)

Notes to the Financial Statements (Cont'd)

10. INVENTORIES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
At cost				
Project work-in-progress	1,159,092	2,907,057	895,498	499,176
Aluminium parts	1,396,727	3,393,331	-	-
Total	2,555,819	6,300,388	895,498	499,176

During the financial year, the cost of inventories recognised as an expense in the Group and in the Company amounted to RM10,411,086/- (2016: RM26,236,599/-) and RM4,379,271/- (2016: RM9,326,150/-) respectively.

11. TRADE AND OTHER RECEIVABLES

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Trade receivables	223,060,613	191,740,256	32,348,271	38,786,137
Less: Allowance for impairment	(5,926,172)	-	(3,670,000)	-
Trade receivables, net	217,134,441	191,740,256	28,678,271	38,786,137
Other receivables				
Other receivables	17,096,888	24,926,747	402,298	1,255,042
Deposits	13,595,795	17,472,896	10,928,019	14,618,932
Prepayments	425,939	1,055,894	9,296	22,322
Retention sums on contracts (Note 12)	34,238,230	26,990,847	-	-
Other receivables, net	65,356,852	70,446,384	11,339,613	15,896,296
	282,491,293	262,186,640	40,017,884	54,682,433
Total trade and other receivables	282,491,293	262,186,640	40,017,884	54,682,433
Total trade and other receivables	282,491,293	262,186,640	40,017,884	54,682,433
Add:				
Amount owing by subsidiaries	-	-	122,314,258	82,598,004
Fixed deposits placed with licensed banks	9,091,444	8,609,709	2,766,472	2,698,376
Cash and bank balances	37,765,513	30,347,576	18,804,267	28,881,335
Total loans and receivables	329,348,250	301,143,925	183,902,881	168,860,148

(a) Trade receivables

The Group's and the Company's credit period granted is ranging from 30 days to 120 days (2016: 30 days to 120 days). Other credit terms are assessed and approved on a case by case basis.

The currency profile of trade receivables is entirely in Ringgit Malaysia.

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

Ageing analysis of the Group's and of the Company's trade receivables are as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Neither past due nor impaired	74,873,460	120,288,299	3,716,808	26,889,544
Past due not impaired				
1 to 30 days	22,321,801	11,055,847	-	-
31 to 60 days	8,328,938	4,246,993	1,517	-
61 to 90 days	4,111,812	8,565,473	-	-
More than 90 days	107,498,430	47,583,644	24,959,946	11,896,593
	142,260,981	71,451,957	24,961,463	11,896,593
Impaired	5,926,172	-	3,670,000	-
	223,060,613	191,740,256	32,348,271	38,786,137

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Based on historical default rates, the Group and the Company believes that no allowance for impairment in respect of trade receivables that are past due. These receivables are mainly arising from trade receivables that have a good credit record with the Group and the Company.

The trade receivables that are past due but not impaired are unsecured in nature.

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
At 1 January	-	-	-	-
Impairment loss during the year	5,926,172	-	3,670,000	-
At 31 December	5,926,172	-	3,670,000	-

Trade receivables that are individually determined to be impaired at the reporting date relate to receivables are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

(b) Other receivables

(i) Included in the other receivables of the Group is an advance amount of RM15,304,301/- (2016: RM19,441,230/-) to third parties.

(ii) Included in the other receivables of the Group and of the Company is an amount of RM2,108,713/- (2016: RM2,327,485/-) paid as refundable security deposit to third party for the purchase of materials.

(iii) Included in the other receivables of the Group and of the Company is an amount of RM8,819,306/- (2016: RM12,269,306/-) paid as tender deposits to third party.

Notes to the Financial Statements (Cont'd)

12. AMOUNT OWING BY/(TO) THE CUSTOMERS FOR CONTRACT WORK

	Group	
	2017 RM	2016 RM
Aggregate construction contract costs incurred to date	507,752,796	400,697,697
Add: Attributable profits	163,505,987	120,668,178
	671,258,783	521,365,875
Less: Progress billings	(619,680,646)	(464,065,471)
	51,578,137	57,300,404
Amount owing by customers for contract work	54,819,772	63,257,705
Amount owing to customers for contract work	(3,241,635)	(5,957,301)
	51,578,137	57,300,404
Contract revenue recognised during the financial year	149,892,908	314,675,014
Contract costs charged to profit or loss during the financial year	107,055,099	229,971,645
Retention sums on contracts, included within trade and other receivables (Note 11)	34,238,230	26,990,847
Retention sums on contracts, included within trade and other payables (Note 23)	17,256,926	13,001,579

13. AMOUNT OWING BY/(TO) SUBSIDIARIES

Amount owing by/(to) subsidiaries is unsecured, interest free and recoverable/(repayable) on demand.

14. FIXED DEPOSITS PLACED WITH LICENSED BANKS

The interest rate of the Group's and of the Company's fixed deposits ranges from 2.85% to 3.15% (2016: 2.55% to 3.15%) per annum. Fixed deposits were pledged with licensed banks as security for banking facilities granted to the Group and to the Company as disclosed in Note 20 to the financial statements.

15. CASH AND BANK BALANCES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Cash in hand	39,658	23,608	-	-
Cash at banks	37,714,474	30,312,899	18,792,886	28,870,266
Short term fund :-				
- investment in trust funds	11,381	11,069	11,381	11,069
Total	37,765,513	30,347,576	18,804,267	28,881,335

16. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of shares Unit	RM	Number of shares Unit	RM
Ordinary shares				
Authorised:-				
At 1 January	-	-	2,000,000,000	200,000,000
Created during the year	-	-	3,000,000,000	300,000,000
At 31 December	-	-	5,000,000,000	500,000,000

Notes to the Financial Statements (Cont'd)

16. SHARE CAPITAL (Continued)

	Group and Company			
	2017		2016	
	Number of shares Unit	RM	Number of shares Unit	RM
Issued and fully paid:-				
At 1 January	3,234,221,413	323,422,141	2,340,249,203	234,024,920
Ordinary shares issued	159,500,000	19,774,450	247,000,000	24,700,000
Bonus shares issued	-	-	646,844,282	64,684,428
Exercised of warrants	-	-	127,928	12,793
Transfer from share premium in accordance with Section 618(2) of the Companies Act, 2016	-	17,002,801	-	-
At 31 December	3,393,721,413	360,199,392	3,234,221,413	323,422,141

During the financial year, the issued and paid-up share capital increased from RM323,422,141/- to RM360,199,392/- by way of:-

(i) issuance of 159,500,000 new ordinary shares via private placements to eligible investors for a total purchase consideration of RM19,774,450/- at an average issue price of RM0.124 per ordinary share.

(ii) transfer of the amount standing to the credit of the Company's share premium account pursuant to Section 618(2) of the Companies Act, 2016 in Malaysia, amounting to RM17,002,801/- to become part of the Company's share capital.

The Companies Act, 2016 (the "Act") which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM17,002,801/- becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. Notwithstanding this provision, the Company may within 24 months from the commencement of the Act, use the amount standing to the credit of its share premium account of RM17,002,801/- for purposes as set out in Section 618(3) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares in the Company.

17. 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 Companies Act 2016, the sum of RM17,002,801/- standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital.

18. OTHER RESERVES

(a) Warrant Reserve

Warrants reserve represents the proceeds from the issuance of warrants which is non-distributable. The warrants reserve is transferred to the share premium account upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to retained earnings.

(b) Exchange Reserve

The exchange reserve comprises all foreign currency 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.

Notes to the Financial Statements (Cont'd)

19. WARRANTS

Warrants B 2013/2018

A total of 351,127,130 free warrants have been issued pursuant to the Bonus Issue of one (1) free warrant for every two (2) existing ordinary shares of RM0.10 each held on 30 August 2013. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 9 September 2013.

On July 2015, 24,577,496 additional warrants 2013/2018 ("Warrants B") issued pursuant to the adjustments arising from the Right Issue with warrants. As at July 2015, total Warrant B amounted to 375,704,626. On November 2015, 125,232,599 additional warrants 2013/2018 ("Warrants B") issued pursuant to the adjustments arising from the Bonus Issue.

On September 2016, 125,229,175 additional warrants 2013/2018 ("Warrant B") issued pursuant to the adjustments arising from the Bonus Issue. As at September 2016, total Warrant B amounted to 626,162,478.

Each warrant carries the entitlement to subscribe for one (1) new share in the Company at an exercise price of RM0.20 (2015: RM0.31) and at any time during the exercise period up to the date of expiry on 8 September 2018. Any warrants not exercised during the exercise period will thereafter lapse and ceased to be valid for any purpose.

The new shares to be issued arising from the exercise of warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the new shares arising from the exercise of warrants.

As at the end of the financial year, 626,145,878 warrants remained unexercised.

Warrants C 2015/2020

A total of 140,450,852 free warrants have been issued pursuant to the Bonus Issue of one (1) free warrant for every five (5) existing ordinary shares of RM0.10 each held on 22 January 2015. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 30 January 2015.

On July 2015, 9,830,784 additional warrants 2015/2020 ("Warrants C") issued pursuant to the adjustments arising from the Right Issue with warrants. As at July 2015, total Warrant C amounted to 150,281,636. On November 2015, 50,090,202 additional warrants 2015/2020 ("Warrants C") issued pursuant to the adjustments arising from the Bonus Issue.

On September 2016, 50,073,502 additional warrants 2015/2020 ("Warrant C") issued pursuant to the adjustments arising from the Bonus Issue. As at September 2016, total Warrant C amounted to 250,433,285.

Each warrant carries the entitlement to subscribe for one (1) new share in the Company at an exercise price of RM0.10 (2015: RM0.13) and at any time during the exercise period up to the date of expiry on 22 January 2019. Any warrants not exercised during the exercise period will thereafter lapse and ceased to be valid for any purpose.

The new shares to be issued arising from the exercise of warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the new shares arising from the exercise of warrants.

As at the end of the financial year, 250,367,513 warrants remained unexercised.

Warrants D 2015/2020

On 15 June 2015, the Company has Renounceable Rights Issue of up to 429,515,979 Rights Shares on the basis of two (2) Rights Shares for every seven (7) existing Instacom Shares held, together with up to 214,757,989 free detachable warrants in Instacom ("Warrants D") on the basis of one (1) free Warrant D for every two (2) Rights Shares subscribed for at 5.00 p.m. on Monday, 15 June 2015 at an issue price of RM0.10 per Rights Share ("Rights Issue with Warrants").

A total of 192,704,997 free detachable warrants have been issued pursuant to the Right Issue of one (1) free warrant for every two (2) subscribed Rights Share at an issue price of RM0.10 each on 15 June 2015. The warrants were granted listing and quotation on the ACE Market of Bursa Malaysia Berhad on 14 July 2015.

On September 2016, 48,164,860 additional warrants 2015/2020 ("Warrant D") issued pursuant to the adjustments arising from the Bonus Issue with warrants. As at September 2016, total Warrant D amounted to 240,869,857.

Notes to the Financial Statements (Cont'd)

19. WARRANTS (Continued)

Warrants D 2015/2020 (Continued)

Each warrant carries the entitlement to subscribe for one (1) new share in the Company at an exercise price of RM0.10 (2015: RM0.12) and at any time during the exercise period up to the date of expiry on 8 July 2020. Any warrants not exercised during the exercise period will thereafter lapse and ceased to be valid for any purpose.

The new shares to be issued arising from the exercise of warrants shall, upon allotment and issuance, rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution ("Distribution") that may be declared, made or paid for which the entitlement date for the Distribution precedes the date of allotment and issuance of the new shares arising from the exercise of warrants.

As at the end of the financial year, 240,824,301 warrants remained unexercised.

20. LOANS AND BORROWINGS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Current				
Secured:-				
Bankers' acceptances	15,081,560	6,172,797	922,000	2,650,000
Bank overdrafts	1,612,648	904,056	407,869	-
Revolving credits	7,759,824	17,816,412	-	-
Hire purchase payables (Note 21)	807,675	1,188,665	-	-
Term loans (Note 22)	540,850	856,871	179,819	171,205
	25,802,557	26,938,801	1,509,688	2,821,205
Non-current				
Secured:-				
Hire purchase payables (Note 21)	950,092	1,545,099	-	-
Term loans (Note 22)	8,012,546	9,458,018	2,509,241	2,691,556
	8,962,638	11,003,117	2,509,241	2,691,556
Total loans and borrowings	34,765,195	37,941,918	4,018,929	5,512,761

(a) Interest rates on bankers' acceptances for the financial year ranging from 4.77% to 7.75% (2016: 1.25% to 7.75%) per annum. The bankers' acceptances are secured by way of:-

(i) pledged of fixed deposits; and

(ii) joint and several guarantee by the directors of the Group and of the Company;

(iii) first fixed charge over two landed properties owned by a third party.

(b) Interest rates on bank overdrafts for the financial year ranging from 7.30% to 7.50% (2016: 7.30%) per annum. The bank drafts are secured by way of:-

(i) pledged of fixed deposits; and

(ii) joint and several guarantee by the directors of the Group.

(c) Interest rates on revolving credits for the financial year ranging from 7.00% to 7.50% (2016: 7.25% to 7.50%) per annum. The revolving credits are secured by way of:-

(i) an irrecovable letter of instruction to credit all contract payment due from a customer and owing to the Group to a non-operating account;

(ii) open all monies debenture fixed and floating charge over all present and future assets and understakings of the Group; and

(iii) joint and several guarantee by the directors of the Group.

Notes to the Financial Statements (Cont'd)

21. HIRE PURCHASE PAYABLES

	Group 2017 RM	Group 2016 RM
Minimum hire purchase payments:-		
- not later than one year	857,151	1,305,924
- later than one year but not later than five years	1,027,030	1,619,507
- later than five years	-	36,012
	1,884,181	2,961,443
Less: Future finance charges	(126,414)	(227,679)
	1,757,767	2,733,764
Analysis of present value of hire purchases payables:-		
Current (Note 20)		
- not later than one year	807,675	1,188,665
Non-current (Note 20)		
- later than one year but not later than five years	950,092	1,509,595
- later than five years	-	35,504
	950,092	1,545,099
Total hire purchase payables	1,757,767	2,733,764

Interest rates on the hire purchase payables for the financial year ranging from 2.85% - 5.76% (2016: 2.30% - 6.69%) per annum.

22. TERM LOANS

	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Current (Note 20)				
Within the next twelve months	540,850	856,871	179,819	171,205
Non-current (Note 20)				
After the next twelve months				
- later than one year but not later than five years	1,892,437	2,884,032	812,986	774,039
- later than five years	6,120,109	6,573,986	1,696,255	1,917,517
	8,012,546	9,458,018	2,509,241	2,691,556
Total term loans	8,553,396	10,314,889	2,689,060	2,862,761

Interest rates on term loans for the financial year ranging from 4.60% to 5.58% (2016: 4.30% to 5.74%) per annum. The term loans are secured by way of:-

(i) pledged of investment account of the Group and of the Company;

(ii) pledged of freehold land, leasehold land and building of the Group and of the Company;

(iii) assignments of contract proceeds from the respective projects to the financial institution;

(iv) an irrecovable and unconditional letter of understaking from the Group and the Company to assign proceeds from any future contracts to be financed by the banking facilities;

(v) irrecovable letter of understaking by the Group and by the Company to supplement any shortfall in cash flows or cost overruns incurred in respect of the project;

(vi) assignment over the designated account;

(vii) charge over the collection account and operating account; and

(viii) joint and several guarantee by the directors of the Group and of the Company.

Notes to the Financial Statements (Cont'd)

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Trade payables	30,875,154	52,676,448	1,271,504	1,257,575
Other payables				
Other payables	12,961,697	18,841,812	2,094,248	2,580,508
Deposits	195,043	203,763	-	-
Accruals	1,373,390	1,268,249	155,913	681,626
Retention sums on contracts (Note 12)	17,256,926	13,001,579	-	-
Other payables, net	31,787,056	33,315,403	2,250,161	3,262,134
Total trade and other payables	62,662,210	85,991,851	3,521,665	4,519,709
Total trade and other payables	62,662,210	85,991,851	3,521,665	4,519,709
Add:				
Loans and borrowings	34,765,195	37,941,918	4,018,929	5,512,761
Total financial liabilities carried at amortised cost	97,427,405	123,933,769	7,540,594	10,032,470

The credit period granted to the Group and to the Company for trade purchases ranges from 30 to 90 days (2016: 30 to 90 days).

The currency of trade and other payables are entirely in Ringgit Malaysia.

24. AMOUNT OWING TO DIRECTORS

The amount owing to directors is unsecured, interest free and repayable on demand.

25. REVENUE

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Telecommunication, engineering and services	22,322,896	50,608,010	11,239,377	42,897,621
Construction services (Note 12)	105,144,136	269,822,045	-	-
Aluminium parts	55,659,495	45,468,527	-	-
Total	183,126,527	365,898,582	11,239,377	42,897,621

Notes to the Financial Statements (Cont'd)

26. OPERATING PROFIT/(LOSS)

Operating profit/(loss) has been arrived at:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
After charging:-				
Amortisation of development expenditure	-	345,629	-	224,641
Amortisation of intangible assets	-	57,634	-	57,634
Auditors' remuneration:-				
- current year	296,800	280,000	85,000	80,000
- prior year	-	(15,000)	-	10,000
Bad debts written off	88,748	4,895	-	-
Depreciation of property, plant and equipment	3,904,775	3,953,880	668,238	668,231
Development expenditure written off	-	5,990,908	-	3,893,785
Directors' remuneration:- (Note 27)				
- fees, salaries, allowances and bonuses	1,579,500	507,920	366,000	91,000
- Employees' Provident Fund and SOCSO	160,556	70,499	-	-
Impairment of intangible assets	-	470,871	-	470,871
Impairment losses on amount owing by a subsidiary company	-	-	179,050	-
Impairment of goodwill	6,380,000	-	-	-
Impairment losses on trade receivables	5,926,172	-	3,670,000	-
(Gain)/Loss on disposal of property, plant and equipment	(265,584)	62,560	-	-
Property, plant and equipment written off	90	226,645	-	-
Preliminary expenses written off	-	6,400	-	-
Rental of machinery and vehicles	682,120	4,194,196	-	-
Rental of office and warehouse	764,241	421,224	-	11,040
Staff costs:-				
- salaries, wages and bonuses	6,601,578	9,498,145	420,000	385,000
- Employees' Provident Fund & SOCSO	828,702	943,369	52,057	13,752
- other related staff costs	1,126,369	238,912	771,856	6,530
And crediting:-				
Dividend income	312	392	312	392
Interest income	370,900	519,066	105,503	363,289
Rental income	-	66,014	-	-

27. DIRECTOR REMUNERATIONS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Executive Directors				
- salaries, allowances and bonuses	1,286,000	364,420	-	-
- fees	227,500	77,500	300,000	25,000
- others	160,556	70,499	-	-
Total	1,674,056	512,419	300,000	25,000
Non-Executive Directors				
- fees	66,000	66,000	66,000	66,000
Grand Total	1,740,056	578,419	366,000	91,000

Notes to the Financial Statements (Cont'd)

28. FINANCE COSTS

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Interest expenses on:-				
- bank overdrafts	78,566	186,394	13,604	145,988
- bankers' acceptances and revolving credits	1,636,460	192,221	69,174	11,910
- hire purchases payables	133,771	228,549	-	-
- term loans	416,852	1,694,873	132,575	152,680
	2,265,649	2,302,037	215,353	310,578

29. TAXATION

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Income tax				
- current year	(8,766,824)	(18,880,666)	(114,718)	(1,746,112)
- over/(under) accrual in prior years	9,713,857	(10,656)	844,556	(12,279)
	947,033	(18,891,322)	729,838	(1,758,391)
Deferred tax (Note 9)				
- current year	90,449	(3,364,318)	11,790	(3,394,869)
- over/(under) accrual in prior years	(93,169)	1,779,318	(219)	1,772,623
	(2,720)	(1,585,000)	11,571	(1,622,246)
	944,313	(20,476,322)	741,409	(3,380,637)

The income tax is calculated at Malaysian statutory rate of 24% of the estimated assessable profit for the fiscal year.

A reconciliation of income tax expense applicable to profit/(loss) before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Profit/loss before taxation	20,886,876	81,315,052	(4,505,798)	15,387,379
Taxation at applicable tax rate of 24%	(5,012,850)	(19,515,612)	1,081,392	(3,692,971)
Tax effects arising from:-				
- expenses not deductible for tax purposes	(3,606,867)	(1,676,440)	(1,184,320)	(1,448,010)
- Non-taxable income	182,088	21,585	-	-
- deferred tax assets not recognised	(210,447)	(1,091,601)	-	-
- different in tax rate	-	17,084	-	-
- over/(under) accrual in prior years:-				
- income tax	9,719,557	(10,656)	844,556	(12,279)
- deferred tax	(127,168)	1,779,318	(219)	1,772,623
Tax expense for the financial year	944,313	(20,476,322)	741,409	(3,380,637)

Notes to the Financial Statements (Cont'd)

30. EARNINGS PER ORDINARY SHARE

(a) Basic Earnings Per Share

	Group	
	2017 RM	2016 RM
Net profit attributable to owners of the parent	14,508,556	49,387,623

	Number of shares	
	Unit	Unit
Number of shares in issue as of 1 January	3,234,221,413	2,340,249,203
Effect of:-		
- ordinary shares issued	32,583,333	211,334,247
- bonus shares issued	-	646,844,282
- exercised of warrants	-	53,521
- Weighted average number of ordinary shares in issue	3,266,804,746	3,198,481,253
Basic earnings per ordinary share (sen)	0.44	1.54

The basic earnings per ordinary share is calculated by dividing the consolidated net profit attributable to equity owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

(b) Diluted Earnings Per Share

The basic and diluted earnings per share are equal as the Group has no dilutive potential ordinary shares outstanding as at 31 December 2017.

31. FINANCIAL GUARANTEES

As of 31 December 2017, the Company is contingently liable in respect of guarantees given mainly for banking facilities totalling RM62,678,029/- (2016: RM42,678,029/-) granted by local licensed banks to the subsidiaries. Accordingly, the Company is contingently liable to the extent of the facilities utilised.

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identification of Related Parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:-
(i) Direct subsidiaries;
(ii) Indirect subsidiaries;
(iii) Key management personnel which comprise persons (including the directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

(b) Significant Related Party Transactions and Balances

During the financial year, the significant related party transactions are as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Telecommunication sales charged to a subsidiary				
- Instacom Engineering Sdn. Bhd.	(7,732,955)	(16,543,027)	(7,732,955)	(16,543,027)
Contractor fees paid to a subsidiary				
- Instacom Construction Sdn. Bhd.	-	321,781	-	1,664,788
Labour charges paid to a subsidiary				
- Instacom Construction Sdn. Bhd.	-	12,729	-	-
Service charges charged from				
- Instacom Engineering Sdn Bhd	-	-	-	1,288,252
Contractor fees charged by Instacom Construction Sdn. Bhd. to Instacom Engineering Sdn. Bhd.	132,296	280,447	-	-
Rental of motor vehicles from Instacom Construction Sdn. Bhd. to Vivocom Enterprise Sdn. Bhd. and Neata Aluminium (M) Sdn. Bhd.	192,072	192,072	-	-
Sale of raw material from Vivocom Trading Sdn. Bhd to Vivocom Enterprise Sdn. Bhd.	1,059,058	2,081,454	-	-
Progress billing on construction contract to a substantial shareholder	15,481,749	24,461,422	-	-

Notes to the Financial Statements (Cont'd)

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel remuneration

The remuneration of the key management personnel during the financial year is as follows:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Salaries, allowances and bonuses	1,286,000	364,420	-	-
Fees	227,500	77,500	300,000	25,000
Others	160,556	70,499	-	-
Total	1,674,056	512,419	300,000	25,000

Included in the key management personnel is:-

	Group		Company	
	2017 RM	2016 RM	2017 RM	2016 RM
Directors' Remuneration	1,674,056	512,419	300,000	25,000

Key management personnel are defined as the members of Board of Directors of the Company and its subsidiaries whereby the authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly or indirectly lies.

33. SEGMENT REPORTING

The Group adopted MFRS 8 Operating Segments. MFRS 8 requires the identification of operating segments on the basis of internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segments and assess their performance.

General Information

The information reported to the Group's chief operating decision maker to make decisions about resources to be allocated and for assessing their performance is based on the nature of the products and services, and has three reportable operating segments as follows:-

(a) Investment holding;
(b) Telecommunication, engineering and services;
(c) Aluminium design and fabrication;
(d) Construction services; and
(e) Others.

Except as above, no other operating segment has been aggregated to form the above reportable operating segments.

Measurement of Reportable Segments

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements. Segment profit or loss is profit earned or loss incurred by each segment without allocation of depreciation and amortisation, finance cost, income from other investment and income tax expense. There are no significant changes from prior financial year in the measurement methods used to determine reported segment profit or loss.

All the Group's assets and liabilities are allocated to reportable segments other than deferred tax assets and deferred tax liabilities.

Notes to the Financial Statements (Cont'd)

33. SEGMENT REPORTING (Continued)

Group 2017	Investment Holding RM	Telecommunication, engineering and services RM	Aluminium design and fabrication RM	Construction services RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue								
External sales	-	22,322,896	55,659,495	105,144,136	-	-		183,126,527
Inter-segment sales	-	8,057,322	574,679	1,059,058	-	(9,691,059)	(a)	-
Total revenue	-	30,380,218	56,234,174	106,203,194	-	(9,691,059)		183,126,767
Results								
Segment results	-	(5,152,884)	19,600,624	17,362,159	(800,499)	(11,643,633)	(a)	19,363,767
Depreciation and amortisation	-	(1,449,556)	(507,943)	(1,948,392)	-	1,116	(a)	(3,904,775)
Finance costs	-	(1,402,159)	(710,319)	(153,171)	-	-		(2,265,649)
Income tax expenses	-	709,495	(4,890,048)	5,124,866	-	-		944,313
Interest income	-	238,477	120,880	11,543	-	-		370,900
Foreign exchange translation	-	-	-	-	-	-		531
Net profit attributable to the owners of the parent								14,509,087
Non controlling interest								7,323,144
Total comprehensive income								21,832,231
Assets								
Segment assets	234,384,100	236,770,606	77,536,614	242,701,543	199,324	(360,731,890)	(b)	430,860,297
Goodwill	178,829,540	-	-	-	-	-		178,829,540
Deferred tax assets	-	-	-	-	-	-	-	-
Consolidated total assets								609,689,837
Other information								
Addition to property, plant and equipment	-	8,885	674,302	155,269	-	(20,000)	(a)	818,456
Liabilities								
Segment liabilities	-	25,738,427	29,387,741	141,374,539	186,850	(125,112,630)	(c)	71,574,927
Loans and borrowings	-	15,429,443	7,260,439	6,790,478	-			29,480,360
Tax payables	-	1,023,730	8,747,820	4,728,483	-			14,500,033
Consolidated total liabilities								115,555,320

Notes to the Financial Statements (Cont'd)

33. SEGMENT REPORTING (Continued)

Group 2016	Investment Holding RM	Telecom-munication, engineering and services RM	Aluminium design and fabrication RM	Construction services RM	Others RM	Eliminations RM	Note	Consolidated RM
Revenue								
External sales	-	50,608,010	45,468,527	269,822,045	-	-		365,898,582
Inter-segment sales	-	20,003,791	1,279,157	2,081,454	-	(23,364,402)	(a)	-
Total revenue	-	70,611,801	46,747,684	271,903,499	-	(23,364,402)		365,898,582
Results								
Segment results	-	14,336,957	16,553,638	56,534,886	29,685	(11,451,107)	(a)	76,004,059
Depreciation and amortisation	-	(2,265,821)	(389,518)	(1,701,804)	-	-		(4,357,143)
Finance costs	-	(1,855,089)	(334,180)	(112,768)	-	-		(2,302,037)
Income tax expenses	-	(3,380,637)	(3,783,158)	(13,312,527)	-	-		(20,476,322)
Interest income	-	495,871	16,595	6,600	-	-		519,066
Foreign exchange translation	-	-	-	-	-	-		14,615
Net profit attributable to the owners of the parent								49,402,238
Non controlling interest								11,465,149
Total comprehensive income								60,867,387
Assets								
Segment assets	234,384,100	237,751,267	59,479,111	210,619,127	1,342,486	(324,479,852)	(b)	419,096,239
Goodwill	185,209,540	-	-	-	-	-		185,209,540
Deferred tax assets	-	-	-	-	-	-		-
Tax recoverable	-	5,144	-	-	-	-		5,144
Consolidated total assets								**604,310,923**
Other information								
Addition to property, plant and equipment	-	104,603	7,628,101	1,212,501	-	-		8,945,205
Liabilities								
Segment liabilities	-	31,912,762	25,842,452	126,371,336	530,555	(86,802,473)	(c)	97,854,632
Loans and borrowings	-	25,886,791	5,238,188	1,338,901	-	-		32,463,880
Tax payables	-	1,744,987	6,264,268	13,455,320	-	-		21,464,575
Consolidated total liabilities								151,783,087

Notes to the Financial Statements (Cont'd)

33. SEGMENT REPORTING (Continued)

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:-.

(a) Inter-segment transactions and revenue are eliminated on consolidation;
(b) Inter-segment assets are eliminated on consolidation; and
(c) Inter-segment liabilities are eliminated on consolidation.

Geographical segments

No information is prepared on the geographical segment as the Group principally operates within Malaysia.

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of Fair Value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:-

	Note
Financial assets	
Finance receivables	8
Trade and other receivables	11
Amount owing by subsidiaries	13
Amount owing by customers for contract works	12
Fixed deposits with licensed banks	14
Cash and bank balances	15
Financial liabilities	
Trade and other payables	23
Amount owing to subsidiaries	13
Amount owing to directors	24
Amount owing to customers for contract works	12
Loans and borrowings	20

The carrying amounts of cash and bank equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

(b) Fair Value Hierarchy

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

(i) Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 – 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

(iii) Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements (Cont'd)

34. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

(b) Fair Value Hierarchy (Continued)

Fair value of financial instruments not carried at fair value

Group	Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
2017				
Financial liabilities				
Hire purchase payables	-	-	1,757,767	1,757,767
Term loans	-	-	8,553,396	8,553,396
	-	-	10,311,163	10,311,163
2016				
Financial liabilities				
Hire purchase payables	-	-	2,733,764	2,733,764
Term loans	-	-	10,314,889	10,314,889
	-	-	13,048,653	13,048,653

Company	Level 1 RM	Level 2 RM	Level 3 RM	Carrying amount RM
2017				
Financial liability				
Term loans	-	-	2,689,060	2,689,060
2016				
Financial liability				
Term loans	-	-	2,862,761	2,862,761

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE

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

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

(a) Credit Risk

Credit risk is the risk of a financial loss to the Group and to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including other investment and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The management has a credit policy in place to monitor and minimise the exposure of default. Credit evaluations are performed on all customers requiring credit over certain amount.

Notes to the Financial Statements (Cont'd)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (Continued)

(a) Credit Risk (Continued)

Credit risk concentration profile

The Group determines the credit risk concentration of its trade receivables by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2017		2016	
	RM	%	RM	%
Telecommunication, engineering and services	44,044,343	20%	54,482,465	28%
Construction services	131,918,470	59%	100,121,374	52%
Aluminium parts	47,097,800	21%	37,136,417	19%
Total trade receivables	223,060,613	100%	191,740,256	100%

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 11 to the financial statements. Deposits with banks and other financial institutions and investment securities are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 11 to the financial statements.

Inter-company balances

The Company provides advances to subsidiaries. The maximum exposure to credit risk is represented by its carrying amounts as disclosed in the statement of financial position as at the end of the financial year.

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

Financial guarantees

The financial guarantees have not been recognised as it is not practicable to make a reliable estimate due to the uncertainties of timing, costs and eventual outcome.

At the end of the reporting period, it was not probable that the counterparty to the financial guarantee contract will claim under the contract. Consequently, the fair value for the corporate guarantees is Nil.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risks arises primarily from mismatched 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 the use of stand-by credit facilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all financing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash convertible investments to meet its working capital requirements.

Notes to the Financial Statements (Cont'd)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (Cont'd)

(b) Liquidity Risk (Continued)

Maturity analysis

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

Group	Carrying amounts RM	Contractual undiscounted cash flows RM	On Demand or Within 1 Year RM	1 - 5 Years RM	More than 5 Years RM
2017					
Financial liabilities					
Trade and other payables	62,662,210	62,662,210	62,662,210	-	-
Amount owing to directors	100	100	100	-	-
Amount owing to customers for contract work	3,241,635	3,241,635	3,241,635	-	-
Hire purchase payables	1,757,767	1,884,181	857,151	1,027,030	-
Term loans	8,553,396	8,553,396	540,850	1,892,437	6,120,109
Other bank borrowings	24,454,032	24,454,032	24,454,032	-	-
	100,669,140	100,795,554	91,755,978	2,919,467	6,120,109
2016					
Financial liabilities					
Trade and other payables	85,991,851	85,991,851	85,991,851	-	-
Amount owing to directors	44,015	44,015	44,015	-	-
Amount owing to customers for contract work	5,957,301	5,957,301	5,957,301	-	-
Hire purchase payables	2,733,764	2,961,443	1,305,924	1,619,507	36,012
Term loans	10,314,889	10,314,889	856,871	2,884,032	6,573,986
Other bank borrowings	24,893,265	24,893,265	24,893,265	-	-
	129,935,085	130,162,764	119,049,227	4,503,539	6,609,998
Company					
2017					
Financial liabilities					
Trade and other payables	3,521,665	3,521,665	3,521,665	-	-
Amount owing to directors	100	100	100	-	-
Term loans	2,689,060	2,689,060	179,819	812,986	1,696,255
Other bank borrowings	1,329,869	1,329,869	1,329,869	-	-
	7,540,694	7,540,694	5,031,453	812,986	1,696,255
2016					
Financial liabilities					
Trade and other payables	4,519,709	4,519,709	4,519,709	-	-
Amount owing to directors	100	100	100	-	-
Term loans	2,862,761	2,862,761	171,205	774,039	1,917,517
Other bank borrowings	2,650,000	2,650,000	2,650,000	-	-
	10,032,570	10,032,570	7,341,014	774,039	1,917,517

Notes to the Financial Statements (Cont'd)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE

(c) Interest Rate Risk

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

The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities as they have active secondary or resale markets to ensure liquidity. The investments in financial assets are mainly short term in nature and they are not held for speculative purposes.

The Group and the Company manage the net exposure to interest rate risks by maintaining sufficient lines of credit to obtain acceptable lending costs and by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

	Effective Interest Rate %	Within 1 Year RM	1 -5 Years RM	> 5 Years RM	Total RM
Group					
2017					
Financial asset					
Fixed deposits placed with licensed banks	2.85 - 3.15	9,091,444	-	-	9,091,444
Financial liabilities					
Bankers' acceptances	4.77 - 7.75	15,081,560	-	-	15,081,560
Bank overdrafts	7.30 - 7.50	1,612,648	-	-	1,612,648
Revolving credits	7.00 - 7.50	7,759,824	-	-	7,759,824
Hire purchase payables	2.85 - 5.76	807,675	950,092	-	1,757,767
Term loans	4.60 - 5.58	540,850	1,892,437	6,120,109	8,553,396
2016					
Financial asset					
Fixed deposits placed with licensed banks	2.55 - 3.15	8,609,709	-	-	8,609,709
Financial liabilities					
Bankers' acceptances	1.25 - 4.33	6,172,797	-	-	6,172,797
Bank overdrafts	7.30	904,056	-	-	904,056
Revolving credits	7.25 - 7.50	17,816,412	-	-	17,816,412
Hire purchase payables	2.30 - 6.69	1,188,665	1,509,595	35,504	2,733,764
Term loans	4.30 - 5.74	856,871	2,884,032	6,573,986	10,314,889

Notes to the Financial Statements (Cont'd)

35. FINANCIAL RISK MANAGEMENT AND OBJECTIVE (Continued)

(c) Interest Rate Risk (Continued)

	Effective Interest Rate %	Within 1 Year RM	1 -5 Years RM	> 5 Years RM	Total RM
Company					
2017					
Financial asset					
Fixed deposits placed with licensed banks	2.55	2,766,472	-	-	2,766,472
Financial liabilities					
Bankers' acceptances	3.80 - 5.01	922,000	-	-	922,000
Bank overdraft	7.30	407,869	-	-	407,869
Term loans	4.85	179,819	812,986	1,696,255	2,689,060
2016					
Financial asset					
Fixed deposits placed with licensed banks	2.55 - 2.70	2,698,376	-	-	2,698,376
Financial liabilities					
Bankers' acceptances	4.88 - 5.27	2,650,000	-	-	2,650,000
Term loans	4.85	171,205	774,039	1,917,517	2,862,761

Sensitivity analysis for interest rate

At the end of the reporting period, if interest rates had been 5% lower/higher, with all other variables held constant, the Group's profit net of tax and the Company's profit net of tax would have been RM1,195,799/- (2016: RM1,329,922/-) and RM62,623/- (2016: RM140,719/-) higher/lower respectively, arising mainly as a result of a lower/higher of interest expenses from pre-determined rate of borrowings and fixed deposits. The assumed movement in basis points for interest rate sensitivity is based on the currently observable market environment.

(d) Market Price 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 price (other than interest or exchange rates).

The Group has in place policies to manage the Group's exposure to fluctuations in the selling price or services rendered of the Group's products and purchase prices of the key raw materials used in the operations. The management conducts constant survey of the global market price and trend in order to determine the selling price.

Notes to the Financial Statements (Cont'd)

36. CAPITAL MANAGEMENT

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

The Group and the Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

The Group and the Company monitors capital using a gearing ratio, which is total debts divided by total capital plus total debts. The Group's and the Company's policy is to keep the gearing ratio between 20% to 40%. The Group and the Company includes within total debts, trade and other payables, amount owing by directors and loans and borrowings. Capital includes equity attributable to the owners of the parent.

The gearing ratio of the Group and of the Company is as follows:-

		Group		Company	
	Note	2017 RM	2016 RM	2017 RM	2016 RM
Trade and other payables	23	62,662,210	85,991,851	3,521,665	4,519,709
Amount owing to directors	24	100	44,015	100	100
Amount owing to customers for contract work	12	3,241,635	5,957,301	-	-
Loans and borrowings	20	34,765,195	37,941,918	4,018,929	5,512,761
Total debts		100,669,140	129,935,085	7,540,694	10,032,570
Equity attributable to owners of the parent		494,134,517	452,527,836	409,108,457	393,098,396
Capital and total debts		594,803,657	582,462,921	416,649,151	403,130,966
Gearing ratio		16.9%	22.3%	1.8%	2.5%

The Group is also required to comply with the disclosure and necessary capital requirements as prescribed in the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

Analysis of Shareholdings

As At 9 April 2018

SHARE CAPITAL

Total number of issued shares	3,398,721,413
Class of shares	Ordinary Shares
Voting Rights	One vote per ordinary share

SIZE OF SHAREHOLDINGS AS AT 9 APRIL 2018

Size of Shareholdings	No. of Shareholders	% of Shareholders	% of Shareholders	% of issued capital
Less than 100	1,538	7.6	79,830	0.0
100 - 1,000	737	3.7	377,282	0.0
1,001 - 10,000	3,755	18.7	21,077,307	0.6
10,001 - 100,000	10,202	50.7	439,316,082	12.9
100,001 and below 5%	3,871	19.3	1,912,481,193	56.3
5% and above	2	0.0	1,025,389,719	30.2
TOTAL	**20,105**	**100.0**	**3,398,721,413**	**100.0**

SUBSTANTIAL SHAREHOLDERS AS AT 9 APRIL 2018

Name	Direct Interest	%	Deemed Interest	%
Golden Oasis Resources Sdn Bhd	757,301,608	22.3	-	-
Ang Li-Hann	340,940,161	10.0	-	-

DIRECTORS' SHAREHOLDING AS AT 9 APRIL 2018

Name	Direct Interest	%	Deemed Interest	%
Ar. Lim Tong Hock	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Dato' Nor Mohd Amin Bin Shaharudin	3,995,667	0.1	-	-
Tay Mun Kit	-	-	-	-

Analysis of Shareholdings (Cont'd)

As At 9 April 2018

LIST OF 30 LARGEST SHAREHOLDERS AS AT 9 APRIL 2018

NO.	NAME	NO. OF SHARES	%
1	GOLDEN OASIS RESOURCES SDN BHD	717,988,976	21.1%
2	ANG LI-HANN	307,400,743	9.0%
3	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR GOLDEN OASIS RESOURCES SDN BHD*	39,312,632	1.2%
4	CHONG MUI FUN	38,750,000	1.1%
5	DATO' SERI CHIA KOK TEONG	36,000,000	1.1%
6	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR ANG LI-HANN*	33,539,418	1.0%
7	MOHAMMAD SOBRI BIN SAAD	33,241,975	1.0%
8	CHIA KOK CHIN	30,500,000	0.9%
9	NG KIM KEONG	25,776,500	0.8%
10	MATHIALAGAN A/L SENGKOTTYAN	21,675,000	0.6%
11	HA MUN KEET	16,100,000	0.5%
12	FAN RUEY YIN	15,200,000	0.4%
13	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR JEGA DEVAN A/L M NADCHATIRAM*	14,650,000	0.4%
14	CITIGROUP NOMINEES (TEMPATAN) SDN BHD *EMPLOYEES PROVIDENT FUND BOARD (PHEIM)*	12,400,000	0.4%
15	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD *CIMB ISLAMIC TRUSTEE BHD FOR BIMB I DIVIDEND FUND*	11,790,000	0.3%
16	LEM WAN CHONG @ LIM CHOON CHEE	10,625,000	0.3%
17	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KUEK ENG MONG*	9,373,900	0.3%
18	ONG YEW BENG	8,125,000	0.2%
19	ONG CHIEW KEE	7,300,000	0.2%
20	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)*	7,225,725	0.2%
21	CHAN WAI MUN	6,875,000	0.2%
22	CHIA SOON HOOI	6,758,050	0.2%
23	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR CHIA KOK SENG*	6,659,435	0.2%
24	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR OOI ENG KEAN*	6,659,435	0.2%
25	CIMSEC NOMINEES (ASING) SDN BHD *CIMB FOR TOSHIHIKO SAITO (PB)*	6,345,000	0.2%
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD *MAYBANK TRUSTEES BERHAD FOR BIMB I GROWTH FUND (940160)*	6,213,750	0.2%
27	TAN TIAM YEE	6,200,000	0.2%
28	GAN KONG SENG	6,000,000	0.2%
29	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES*	5,676,478	0.2%
30	CITIGROUP NOMINEES (ASING) SDN BHD *CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC*	5,649,522	0.2%

Analysis of Warrantholdings - Warrant B 2013/2018

As At 9 April 2018

Type of Securities	Warrants 2013/2018
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS AS AT 9 APRIL 2018

	No. of holders	%	No. of Warrants	%
Less than 100	1,143	18.1%	58,116	0.0%
100 - 1,000	680	10.8%	309,591	0.0%
1,001 - 10,000	1,890	30.0%	6,902,398	1.1%
10,001 - 100,000	1,637	26.0%	70,573,619	11.3%
100,001 and below 5%	948	15.1%	548,302,154	87.6%
5% and above	-	0.0%	-	0.0%
TOTAL	**6,298**	**100.0%**	**626,145,878**	**100.0%**

DIRECTORS' WARRANTHOLDING AS AT 9 APRIL 2018

Name	Direct Interest	%	Deemed Interest	%
Ar. Lim Tong Hock	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Nor Mohd Amin Bin Shaharudin	-	-	-	-
Dato' Azahar Bin Rasul	-	-	-	-
Tay Mun Kit	-	-	-	-

Analysis of Warrantholdings - Warrant B 2013/2018 (Cont'd)

As At 9 April 2018

LIST OF 30 LARGEST WARRANT B HOLDERS AS AT 9 APRIL 2018

NO.	NAME	NO. OF WARRANTS	%
1	LEM WAN CHONG @ LIM CHOON CHEE	12,125,000	1.9%
2	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NOR AZIZY BINTI ABDUL AZIZ (CEB)*	10,686,025	1.7%
3	CHEONG WAI LUN	9,627,000	1.5%
4	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YIP TUCK LEONG (E-KLC)*	9,024,875	1.4%
5	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN CHEE CHUAN*	8,519,200	1.4%
6	CHIN CHIN SEONG	8,000,000	1.3%
7	NG CHAI GO	7,201,125	1.2%
8	TEE KIAN HENG	7,000,000	1.1%
9	CHIN CHIN SEONG	6,409,375	1.0%
10	CHONG CHEE YOONG	5,900,000	0.9%
11	TAM SU LEE	5,103,400	0.8%
12	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR WEI JUI FUNG*	4,625,000	0.7%
13	TAN CHONG JEAN	4,500,041	0.7%
14	AMSEC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WEI JUI FUNG*	4,295,000	0.7%
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PHOON YIT ONN (8042228)*	4,100,000	0.7%
16	LEONG WAI BOON	4,100,000	0.7%
17	CHOW KIM SAN	4,000,000	0.6%
18	KAMAL BATCHA BIN ABDUL GANI	4,000,000	0.6%
19	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NG CHAI GO*	3,750,000	0.6%
20	LAI SIEN THOONG	3,750,000	0.6%
21	CHAN SIA YEW	3,745,000	0.6%
22	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR LESLIE HON*	3,550,000	0.6%
23	LIM EE LID	3,538,575	0.6%
24	GOH QUE CHOO	3,250,000	0.5%
25	KOH CHIA THONG GUAN @ KOH THONG YONG	3,230,707	0.5%
26	CHU WAN CHEK	3,200,000	0.5%
27	LEE LING CHOI	3,155,800	0.5%
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR PATRICIA LIAW NYUK LIN (E-PDG/JPN)*	3,100,000	0.5%
29	ONG KHEAM CHYE	3,000,000	0.5%
30	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SHER KHAN BIN KHAN MOHAMAD (CEB)*	3,000,000	0.5%

Analysis of Warrantholdings - Warrant C 2015/2020

Warrantholding Structure As At 9 April 2018

Type of Securities	Warrants 2015/2020
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS AS AT 9 APRIL 2018

	No. of holders	%	No. of Warrants	%
Less than 100	1,244	20.8%	56,381	0.0%
100 - 1,000	1,699	28.3%	818,255	0.3%
1,001 - 10,000	1,621	27.0%	5,980,449	2.4%
10,001 - 100,000	1,028	17.2%	40,463,017	16.2%
100,001 and below 5%	399	6.7%	170,105,198	67.9%
5% and above	2	0.0%	32,944,213	13.2%
TOTAL	**5,993**	**100.0%**	**250,367,513**	**100.0%**

DIRECTORS' WARRANTHOLDING AS AT 9 APRIL 2018

Name	Direct Interest	%	Deemed Interest	%
Ar. Lim Tong Hock	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Nor Mohd Amin Bin Shaharudin	-	-	-	-
Dato' Azahar Bin Rasul	-	-	-	-
Tay Mun Kit	-	-	-	-

Analysis of Warrantholdings - Warrant C 2015/2020 (Cont'd)

Warrantholding Structure As At 9 April 2018

LIST OF 30 LARGEST WARRANT C HOLDERS AS AT 9 APRIL 2018

NO.	NAME	NO. OF WARRANTS	%
1	ANNE KUNG SOO CHING	17,212,521	6.9%
2	OH TEIK CHYE	15,731,692	6.3%
3	LOO NGEK PANG	6,700,000	2.7%
4	LAU HONG SENG	4,700,009	1.9%
5	KHOO LEE THENG	3,884,375	1.6%
6	OH TEIK CHYE	3,548,250	1.4%
7	DATO' SERI CHIA KOK TEONG	3,000,000	1.2%
8	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIAW KOK TONG (CCTS)*	3,000,000	1.2%
9	WONG KOK NYEN	2,500,000	1.0%
10	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TIONG ING PING (ET)*	2,454,900	1.0%
11	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR LIM YEW LEONG (E-BPJ)*	2,446,175	1.0%
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD	2,323,525	0.9%
13	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KWAH WOI LEONG (E-BPJ/JKA)*	2,287,500	0.9%
14	LOW YIN SEN	2,228,940	0.9%
15	HEE TAU KIEN	1,900,000	0.8%
16	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR LESLIE HON*	1,750,000	0.7%
17	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR TONG YEW BAN*	1,706,400	0.7%
18	BONG YOON PAH @ WONG YOON PAH	1,705,900	0.7%
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHOW CHOON FUTT (E-TCS)*	1,500,100	0.6%
20	TIANG SOON WEE	1,500,000	0.6%
21	NG THIAN HUAT	1,494,000	0.6%
22	KWONG YEW NAM	1,370,000	0.5%
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR KEE BENG HWA (E-TWU)*	1,300,250	0.5%
24	PHANG WAH	1,250,000	0.5%
25	TEOH YOKE PENG	1,250,000	0.5%
26	TAN KAY LOY	1,200,000	0.5%
27	LOO NGEK PANG	1,153,200	0.5%
28	ONG YOKE MENG	1,100,000	0.4%
29	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR NGOO LAI CHOO*	1,083,100	0.4%
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD	1,073,000	0.4%

Analysis of Warrantholdings - Warrant D 2015/2020

Warrantholding Structure As At 9 April 2018

Type of Securities	Warrants 2015/2020
Voting Rights	One vote per warrant in respect of a meeting of warrant holders

DISTRIBUTION OF WARRANTHOLDINGS AS AT 9 APRIL 2018

	No. of holders	%	No. of Warrants	%
Less than 100	373	18.0%	20,261	0.0%
100 - 1,000	169	8.2%	79,012	0.0%
1,001 - 10,000	467	22.5%	1,840,399	0.8%
10,001 - 100,000	666	32.1%	30,659,325	12.7%
100,001 and below 5%	396	19.1%	180,177,773	74.8%
5% and above	1	0.0%	28,047,531	11.6%
TOTAL	**2,072**	**100.0%**	**240,824,301**	**100.0%**

DIRECTORS' WARRANTHOLDING AS AT 9 APRIL 2018

Name	Direct Interest	%	Deemed Interest	%
Ar. Lim Tong Hock	-	-	-	-
Choo Seng Choon	-	-	-	-
Dato' Nor Mohd Amin bin Shaharudin	-	-	-	-
Dato' Azahar bin Rasul	-	-	-	-
Tay Mun Kit	-	-	-	-

Analysis of Warrantholdings - Warrant D 2015/2020 (Cont'd)

Warrantholding Structure As At 9 April 2018

LIST OF 30 LARGEST WARRANT D HOLDERS AS AT 9 APRIL 2018

NO.	NAME	NO. OF WARRANTS	%
1	ANG LI-HANN	28,047,531	11.6%
2	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR ANG LI-HANN*	9,835,010	4.1%
3	ANNE KUNG SOO CHING	9,757,100	4.1%
4	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR POH CHONG JOO*	4,300,000	1.8%
5	POH CHONG JOO	3,200,000	1.3%
6	OH TEIK CHYE	3,011,775	1.3%
7	DATO' SERI CHIA KOK TEONG	3,000,000	1.2%
8	HLIB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR SIAW KOK TONG (CCTS)*	3,000,000	1.2%
9	LAM YEE FOON	2,937,000	1.2%
10	SOON KAR LIM	2,520,000	1.0%
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN SEW KENG*	2,016,500	0.8%
12	CHOW CHYE MING	2,000,000	0.8%
13	RHB NOMINEES (TEMPATAN) SDN BHD *RHB TRUSTEES BERHAD FOR CHIA KOK SENG*	1,952,795	0.8%
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG TZE YEE	1,908,000	0.8%
15	KWONG YEW NAM	1,795,500	0.7%
16	KENANGA NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TIONG ING PING (ET)*	1,626,500	0.7%
17	KHOR TENG EOW	1,500,000	0.6%
18	LEE SWEE SIONG	1,425,000	0.6%
19	ONG SENG KEE	1,413,900	0.6%
20	LOW YIN SEN	1,410,535	0.6%
21	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR LESLIE HON*	1,350,000	0.6%
22	HLIB NOMINEES (TEMPATAN) SDN BHD *HONG LEONG BANK BHD FOR TONG YEW BAN*	1,274,300	0.5%
23	SIM HEOK HOO	1,256,250	0.5%
24	BONG YOON PAH @ WONG YOON PAH	1,250,000	0.5%
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR YUEN MUN KIT*	1,212,225	0.5%
26	UOB KAY HIAN NOMINEES *EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)*	1,187,125	0.5%
27	BOONG KAU	1,135,000	0.5%
28	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HOO YEEK FOO*	1,123,800	0.5%
29	MAH KENG LOOI	1,100,025	0.5%
30	CIMSEC NOMINEES (TEMPATAN) SDN BHD *CIMB BANK FOR YONG CHEE CHOONG (MY2638)*	1,098,700	0.5%

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 16th Annual General Meeting of the Company will be held at Gunung Gading, Level 4, Tower A, M Hotels, Hock Lee Centre, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Tuesday, 26 June 2018 at 2.30 p.m. to transact the following business :

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2017 and the Reports of Directors and Auditors thereon. **Please refer to Explanatory Note (i)**

2. To approve the payment of Directors' fees amounting to RM66,000 for the financial year ended 31 December 2017. **Resolution 1**

3. To approve the payment of Directors' fees amounting to RM150,000 for the financial year ending 31 December 2018. **Resolution 2**

4. To re-elect the Director who retires in accordance with Article 116 of the Company's Constitution as follows :-

   (a) AR. Lim Tong Hock **Resolution 3**
   (b) Mr. Tay Mun Kit **Resolution 4**

5. To re-appoint Messrs. STYL Associates as auditors of the Company and to authorize the Directors to fix their remuneration. **Resolution 5**

As Special Business

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

6. Authority to issue shares **Resolution 6**

   "THAT, subject always to the Companies Act 2016, the Company's Constitution and the approvals of the relevant governmental/regulatory authorities, if applicable, the Directors be and are hereby empowered, pursuant to Section 75 and Section 76 of the Companies Act 2016, to issue shares in the Company from time to time and upon such terms and conditions and for such purposes 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 issue shares of the Company for the time being and that the Directors be and are also 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 to be in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business for which due notice shall have been given.

By Order of the Board

LAANG JHE HOW (MIA 25193)
ANNE KUNG SOO CHING (MIA 8449)
Company Secretaries

Kuala Lumpur
30 April 2018

Notice of Annual General Meeting (Cont'd)

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 18 June 2018 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.*

2. *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, participate, speak and vote in its stead.*

3. *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*

4. *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one 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.*

5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*

6. *The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.*

Explanatory notes

(i) Item 1 of the Agenda - Audited Financial Statement for the financial year ended 31 December 2017

The item is meant for discussion only, as the provision of Section 340(1) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this item is not put forward for voting.

(ii) Ordinary Resolution 6 – Proposed Authority to issue shares

The Company wishes to renew the mandate on the authority to issue shares pursuant to Section 75 of the Companies Act 2016 at the 15th AGM of the Company (hereinafter referred to as the "General Mandate").

The Company had been granted a general mandate by its shareholders at the 15th AGM of the Company held on 8 June 2017 (hereinafter referred to as the "Previous Mandate").

As at the date of this notice, 164,500,000 new ordinary shares of the Company were issued pursuant to the Previous Mandate to Macquarie Bank Limited by way of placement of new shares which raised total proceeds amounting to RM20,311,450, to be utilised for the repayment of borrowings and general working capital of the Group. The new ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad in various tranches from 2 August 2017 to 13 February 2018.

The General Mandate will enable the Directors of the Company to issue shares any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next Annual General Meeting. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and / or acquisitions.

Statement Accompanying the Notice of Annual General Meeting

Pursuant to Paragraph 8.29(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad :-

1. **Details of individuals who are standing for election as Directors**

   The profile of the Directors standing for re-election is stated on Page 8-10 of this Annual Report.

2. **Statement relating to the general mandate for issue of securities in accordance with Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad**

   Details of the General Mandate for the Authority to issue shares pursuant to Section 75 of the Companies Act 2016 are set out in Explanatory Notes (ii) of the Notice of AGM.

Form of Proxy

CDS Account No.:	
No. of Shares Held:	

I/ We ____ *NRIC/ Company no. ______________________________________
(FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

being *a member / members of **VIVOCOM INTL HOLDINGS BERHAD** (596299-D) hereby appoint

____

____ *NRIC/ Company no. ______________________________________
(FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

or failing *him/ her ____________________________________ *NRIC/ Company no. ______________________________________
FULL NAME IN BLOCK CAPITAL)

of ____
(FULL ADDRESS)

or failing *him/ her the Chairman of the Meeting as *my/ our proxy/ proxies to attend, speak and vote for *me/ us on *my/ our behalf at the 16th Annual General Meeting of Vivocom Intl Holdings Berhad ("Company") to be held at Gunung Gading, Level 4, Tower A, M Hotels, Hock Lee Centre, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak on Tuesday, 26 June 2018 at 2.30 p.m. and at any adjournment thereof.

*My/our proxy is to vote as indicated below:-

RESOLUTIONS	FOR	AGAINST
1. To approve the payment of Directors' fees amounting to RM66,000 for the financial year ended 31 December 2017.		
2. To approve the payment of Directors' fees amounting to RM150,000 for the financial year ending 31 December 2018.		
3. To re-elect the Director, AR. Lim Tong Hock who retires in accordance with Article 116 of the Company's Constitution.		
4. To re-elect the Director, Mr. Tay Mun Kit who retires in accordance with Article 116 of the Company's Constitution.		
5. To re-appoint Messrs. STYL Associates as auditors of the Company and to authorize the Directors to fix their remuneration.		
AS SPECIAL BUSINESS		
6. Authority to issue shares		

Please mark with " X " in either box if you wish to direct the proxy how to vote. If no mark is made the proxy may vote on the resolutions or abstain from voting as the proxy thinks fit.

* *Strike out whichever is not desired*

Signed this ____________ day of ________________________ 2018

___________________________ ___________________________

Signature(s) of Member(s) Affix Company's Seal (if applicable)

Notes:-

1. *In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 18 June 2018 shall be eligible to attend, participate, speak and vote at this meeting or appoint proxy(ies) to attend, participate, speak and vote on his/ her behalf.*
2. *A member of the Company who is entitled to attend, participate, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, participate, speak and vote in its stead.*
3. *A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar. Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.*
4. *Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one 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.*
5. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.*
6. *The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at No. 149A, Jalan Aminuddin Baki, Taman Tun Dr. Ismail, 60000 Kuala Lumpur, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.*

Please Fold Here

AFFIX
STAMP

The Company Secretaries
VIVOCOM INTL HOLDINGS BERHAD (596299-D)
149A, Jalan Aminuddin Baki
Taman Tun Dr Ismail
60000 Kuala Lumpur

Please Fold Here

Vivocom Intl Holdings Berhad
(596299-D)

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6-8, Jalan Seri Utara 1
Batu 7, Off Jalan Ipoh
68100 Kuala Lumpur
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