Minda Global
Berhad
(1209985-V)

Announcements / Filings to Bursa Malaysia

Annual Audited Accounts

Subject	Annual Audited Accounts - 31 Dec 2017

Please refer attachment below.

Company No.: 1209985-V

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 23 NOVEMBER 2016
(DATE OF INCORPORATION) TO
31 DECEMBER 2017

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the financial period ended 31 December 2017.

CHANGE OF NAME

The Company changed its name from Integrity Action Sdn. Bhd. to Minda Global Sdn. Bhd. effective from 23 December 2016.

The Company has converted from a private limited liability company to a public company and the name of the Company has been changed from Minda Global Sdn. Bhd. to Minda Global Berhad effective from 28 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the Company is investment holding. The Company has not commenced business as at 31 December 2017.

RESULTS

	RM
Loss for the financial period	(156,695)

DIVIDENDS

No dividend has been paid or declared by the Company since the date of incorporation.

The directors do not recommend the payment of any dividends in respect of the financial period ended 31 December 2017.

RESERVES AND PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there were no known bad debts and that no provision for doubtful debts was required.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in the financial statements of the Company.

CURRENT ASSETS

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

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

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities 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 Company which has arisen since the end of the financial period which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Company which has arisen since the end of the financial period other than as disclosed in Note 14(c) to the financial statements.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Company for the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of the operations of the Company for the financial period in which this report is made.

ISSUE OF SHARES AND DEBENTURES

Since the date of incorporation, the Company issued 2 new ordinary shares which were subsequently on 16 December 2016 subdivided into 10 ordinary shares.

DIRECTORS

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

Nursarahfatin Binti Samsudin	- First director; Resigned on 14 December 2016
Nurraliza Binti Bainus	- First director; Resigned on 14 December 2016
Ng Hock Tiam	- Appointed on 13 December 2016; Resigned on 9 January 2018
Yew Kong Seong	- Appointed on 13 December 2016; Resigned on 9 January 2018
General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj Nordin (Rtd.)	- Appointed on 9 January 2018
Tan Sri Datuk (Dr.) Rafiah Binti Salim	- Appointed on 9 January 2018
Professor Colonel Tan Sri Datuk Wira Dr. Hj. Mohd Shukor Bin Haji Mahfar	- Appointed on 9 January 2018
Sanjeev Nanavati	- Appointed on 9 January 2018
Dato' Tan Choon Hwa @ Esther Tan Choon Hwa	- Appointed on 9 January 2018
Tan Sri Dato' Dr. Palaniappan A/L Ramanathan Chettiar	- Appointed on 9 January 2018

DIRECTORS' INTERESTS

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

	Number of ordinary shares				
	At 23.11.2016 (date of incorporation)/ date of appointment	**Bought**	**Sold**	**Subdivision of shares**	**At 31.12.2017**
Nursarahfatin Binti Samsudin	1	-	(1)	-	-
Nurraliza Binti Bainus	1	-	(1)	-	-
Yew Kong Seong	-	1	-	4	5
Ng Hock Tiam	-	1	-	4	5

DIRECTORS' BENEFITS

Since the date of incorporation, no director of the Company has received or become entitled to receive any benefit 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 period, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial period, no indemnity coverage and insurance premium paid for the directors and officers of the Company. Effective from 19 February 2018, the total amount of indemnity coverage and insurance premium payable for the directors and officers of the Company amounted to RM20,000,000 and RM22,000 respectively.

ULTIMATE HOLDING COMPANY

The directors regard SMRT Holdings Berhad, a company incorporated in Malaysia and listed on the ACE Market of the Bursa Malaysia Securities Berhad, as the ultimate holding company effective from 14 February 2018.

SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

Details of significant events during the financial period are disclosed in Note 13 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

Details of significant events subsequent to the end of the financial period are disclosed in Note 14 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 7 to the financial statements.

INDEMNITY FOR AUDITORS

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

Company No.: 1209985-V

AUDITORS

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

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

....
TAN SRI DATO' DR. PALANIAPPAN A/L RAMANATHAN CHETTIAR
Director

....
GENERAL TAN SRI DATO' SERI MOHD SHAHROM BIN DATO' HJ NORDIN (RTD.)
Director

Date: 26 April 2018

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 RM
ASSET		
Current asset		
Cash in hand		2
TOTAL ASSET		2
EQUITY AND LIABILITY		
Equity attributable to owners of the Company		
Share capital	5	2
Accumulated losses		(156,695)
Total equity		(156,693)
Current liability		
Other payables and accruals	6	156,695
Total liability		156,695
TOTAL EQUITY AND LIABILITY		2

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

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD FROM 23 NOVEMBER 2016 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Note	Period from 23.11.2016 (date of incorporation) to 31.12.2017 RM
Revenue		-
Cost of services		-
Gross profit		-
Administrative expenses		(156,695)
Loss before taxation	7	(156,695)
Taxation	8	-
Loss for the financial period		(156,695)
Other comprehensive income		-
Total comprehensive loss for the financial period		(156,695)

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

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD FROM 23 NOVEMBER 2016 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Share Capital RM	Accumulated Losses RM	Total Equity RM
At 23 November 2016 (date of incorporation)	2	-	2
Loss for the financial period, representing total comprehensive loss for the financial period	-	(156,695)	(156,695)
At 31 December 2017	2	(156,695)	(156,693)

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

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 23 NOVEMBER 2016 (DATE OF INCORPORATION) TO 31 DECEMBER 2017

	Period from 23.11.2016 (date of incorporation) to 31.12.2017 RM
CASH FLOWS FROM OPERATING ACTIVITIES:	
Loss before taxation	(156,695)
Changes in Working Capital:	
Payables	156,695
Net Operating Cash Flows	-
CASH FLOWS FROM INVESTING ACTIVITY:	-
CASH FLOWS FROM FINANCING ACTIVITY:	-
NET CHANGES IN CASH AND CASH EQUIVALENTS	-
CASH AND CASH EQUIVALENTS AT THE DATE OF INCORPORATION	2
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	2

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

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company changed its name from Integrity Action Sdn. Bhd. to Minda Global Sdn. Bhd. effective from 23 December 2016.

The Company was incorporated as a private limited liability company, incorporated and domiciled in Malaysia. The Company has converted from a private limited liability company to a public company and the name of the Company has been changed from Minda Global Sdn. Bhd. to Minda Global Berhad effective from 28 December 2017.

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur. The principal place of business of the Company is located at No. 3517, Jalan Teknokrat 5, Cyber 5, 63000 Cyberjaya, Selangor Darul Ehsan.

The principal activity of the Company is investment holding. The Company has not commenced business as at 31 December 2017.

The directors regard SMRT Holdings Berhad, a company incorporated in Malaysia and listed on the ACE Market of the Bursa Malaysia Securities Berhad, as the ultimate holding company effective from 14 February 2018.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2018.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Early adoption of amendments/improvement to MFRS

For the current financial period, the Company has opted for early adoption of the following amendments/improvements to MFRSs:

Amendments/Improvements to MFRSs	
MFRS 12	Disclosure of Interests in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

The early adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Company.

2. BASIS OF PREPARATION (Continued)

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

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

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

The Company does not expect the initial application of the above new MFRSs, amendments/improvements to MFRSs and new IC Int to have any material impact to the financial statements of the Company. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below.

2. BASIS OF PREPARATION (Continued)

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)

MFRS 9 Financial Instruments

Key requirements of MFRS 9:

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

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

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

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

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

2. BASIS OF PREPARATION (Continued)

2.3 New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

2.4 Functional and Presentation Currency

The financial statements of the Company are presented in Ringgit Malaysia ("RM") which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

2.5 Basis of Measurement

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

2.6 Use of Estimates and Judgement

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 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) Financial Assets

Financial assets are recognised in the statement of financial position when, and only when, the Company becomes 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 transaction costs.

The Company determines the classification of its financial assets at initial recognition and has categorised its financial assets as loans and receivables.

(i) Loans and Receivables

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

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, 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.

(b) Financial Liabilities

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

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Company becomes 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.

(i) Other Financial Liabilities

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(b) Financial Liabilities

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Receivables Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default 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 risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and 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 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.

(d) Cash and Cash Equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise cash at in hand which are subject to an insignificant risk of changes in value.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(e) Share Capital

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(f) Income Tax

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

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

(g) Fair Value Measurements

The Company adopted MFRS 13 *Fair Value Measurement* which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

There were no significant estimation, uncertainty and critical judgements made by the management in the process of applying the Company's accounting policies which have material effect on the amounts recognised in the financial statements.

5. SHARE CAPITAL

	2017 Number of shares	RM
Issued and fully paid:		
At 23 November 2016 (date of incorporation)	2	2
Subdivision of ordinary shares	8	-
31 December 2017	10	2

On 16 December 2016, 2 units of fully issued and paid ordinary shares of the Company has been subdivided into 10 units of fully issued and paid ordinary shares.

Effective from 31 January 2017, the new Companies Act 2016 abolished the concept of authorised share capital and par value of share capital. There is no impact on the numbers of ordinary shares in issue of the relative entitlement of any of the members as a result of this transition.

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

6. OTHER PAYABLES AND ACCRUALS

	2017 RM
Other payables	139,195
Accruals	17,500
	156,695

7. LOSS BEFORE TAXATION

Loss before taxation has been arrived at:

	Period from 23.11.2016 (date of incorporation) to 31.12.2017 RM
After charging:	
Audit fee	
- statutory audit	
- current financial period	16,000
- other services	6,000

8. TAXATION

The reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Company is as follows:

	Period from 23.11.2016 (date of incorporation) to 31.12.2017 RM
Loss before taxation	(156,695)
Taxation at the applicable tax rate of 24%	(37,607)
Tax effects arising from:	
- non-deductible expenses	37,607
Tax expense for the financial period	-

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated taxable loss for the financial period.

9. RELATED PARTIES DISCLOSURE

(a) Identity of Related Parties

Parties are considered to be related to the Company if the Company 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. The Company has a related party relationship with its directors.

(b) Significant Related Party Transactions and Balances

There were no transactions and balances with related parties during the financial period.

10. FINANCIAL INSTRUMENTS

(a) Classification of Financial Instruments

The following table analyses the financial assets and liability in the statement of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis.

	Loans and Receivables RM	Financial Liabiities at Amortised Cost RM	Total RM
2017			
Financial asset			
Cash in hand	2	-	2
Financial liability			
Other payables and accruals	-	156,695	156,695

(b) Fair Values

(i) Determination of Fair Value

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

(ii) Fair Value Hierarchy

As the financial assets and financial liabilities of the Company are not carried at fair values by any valuation model, the fair value hierarchy analysis is not presented.

11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The operations of the Company is subject to liquidity risk. The Company has formulated a financial risk management framework whose principal objective is to minimise the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Company.

(a) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations when they fall due. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its cash flow to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Company depends on its holding company to maintain sufficient levels of cash to meet its working capital requirement.

The Company's financial liability at the reporting date either mature within one year or are repayable on demand.

12. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to sustain future development of the business so that it can continue to maximise returns for its shareholders.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, 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 and process during the financial period ended 31 December 2017.

The Company is not subject to any externally imposed capital requirements.

13. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

(a) On 27 December 2016, the Company entered into a composite agreement with Asiamet Education Group Berhad ("AEGB") which sets out the agreed process for the implementation of the proposed exchange of the entire enlarged issued and paid up share capital of AEGB for new ordinary shares in the Company on the basis of one share of the Company for every one share of AEGB held ("Proposed Share Exchange"). Upon completion of the Proposed Share Exchange, the listing status of AEGB is proposed to be transferred to the Company and the Company will be admitted to the Official List of Bursa Malaysia Securities Berhad in place of AEGB ("Proposed Transfer of Listing").

In addition, AEGB is also proposing to implement an internal reorganisation exercise after the Proposed Share Exchange and Proposed Transfer of Listing whereby AEGB will dispose of its entire equity interest CESB, Valencia Education Group Sdn. Bhd. ("VEGB"), Asiamet (KK) Sdn. Bhd. ("ASB (KK)") and Asiamet (Kuching) Sdn. Bhd. ("ASB (KC)") ("Designated Investments") to the Company ("Internal Reorganisation") which will facilitate to establish a new corporate structure for the Company.

On 31 May 2017, the Company entered into the Supplemental Composite Agreement with AEGB to amend and vary the Composite Agreement in which Asiamet (KB) Sdn. Bhd. ("ASB (KB)") had been included as part of the Internal Reorganisation.

On 19 June 2017, AEGB and the Company had by way of an exchange of letter dated 19 June 2017, extended the cut-off date of the Composite Agreement from 31 May 2017 to 30 August 2017 as well as clarified that the basis of transfer for the Designated Investments shall be RM1.00 in the event such Designated Investments is at a net liability position on the last day of the preceding month of the completion of the disposal of the Designated Investments.

On 8 August 2017, AEGB and the Company had by way of an exchange of letter dated 8 August 2017, extended the cut-off date of the Composite Agreement from 30 August 2017 to 30 November 2017.

On 30 November 2017, AEGB and the Company had by way of an exchange of letter dated 30 November 2017, extended the cut-off date of the Composite Agreement from 30 November 2017 to 31 March 2018.

The Proposed Share Exchange, Proposed Transfer of Listing and Internal Reorganisation were not completed as at the financial year ended 31 December 2017.

14. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

(a) On 14 February 2018, the Proposed Share Exchange was completed. Consequently, Asiamet Education Group Berhad became a wholly-owned subsidiary of the Company.

(b) On 19 February 2018, the Proposed Transfer of Listing was completed.

(c) The Company has entered into Kafalah Guarantee Agreement ("Guarantee Agreement") on 20 April 2018 as guarantor for Islamic Medium Term Notes ("IMTN") programme of RM150,000,000 in nominal value by CUCMS Education Sdn. Bhd. ("CESB"), a wholly-owned subsidiary of Asiamet Education Group Berhad, which is in turn a wholly-owned subsidiary of the Company.

15. COMPARATIVE FIGURES

There are no comparative figures as this is the first set of financial statements of the Company since the date of incorporation on 23 November 2016.

Company No.: 1209985-V

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, the undersigned, being two of the directors of the Company, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 6 to 21, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of its financial performance and cash flows for the financial period then ended.

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

....

TAN SRI DATO' DR. PALANIAPPAN A/L RAMANATHAN CHETTIAR
Director

....

GENERAL TAN SRI DATO' SERI MOHD SHAHROM BIN DATO' HJ NORDIN (RTD.)
Director

Date: 26 April 2018

Company No.: 1209985-V

MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, **LAI SWEE SIM**, being the officer primarily responsible for the financial management of the Company, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 6 to 21 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

....
LAI SWEE SIM
MIA Membership No.: 29698

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 April 2018.

Before me,

PESURUHJAYA SUMPAH
No. W607
Nama: GURDEEP SINGH
A/L JAG SINGH
MALAYSIA

....
Commissioner for Oaths

5B, JALAN RAKYAT
(JALAN TRAVERS)
BRICKFIELDS
50470 KUALA LUMPUR

BAKER TILLY

Baker Tilly Monteiro Heng
Chartered Accountants (AF0117)
Baker Tilly MH Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Malaysia

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MINDA GLOBAL BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Minda Global Berhad, which comprise the statement of financial position as at 31 December 2017 of the Company, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 21.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and cash flows for the financial period then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the current financial period. These matters were addressed in the context of our audit of the financial statements of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MINDA GLOBAL BERHAD (Continued)
(Incorporated in Malaysia)

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 Company and our auditors' report thereon.

Our opinion on the financial statements 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 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 Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors of the Company are responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MINDA GLOBAL BERHAD (Continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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.

BAKER TILLY

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
MINDA GLOBAL BERHAD (Continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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 Company for the current financial period 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.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lee Kong Weng
No. 02967/07/2019 J
Chartered Accountant

Kuala Lumpur

Date: 26 April 2018

ASIAMET EDUCATION GROUP BERHAD
(746920 - M)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
31 DECEMBER 2017

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are disclosed in Note 8 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Loss for the financial year	28,701	3,476
Attributable to:		
Owners of the Company	28,701	3,476
Non-controlling interests	-	-
	28,701	3,476

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year have been disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and have satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

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

CURRENT ASSETS

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

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 which 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 or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person other than as disclosed in Note 32(c) to the financial statements, and

(ii) any contingent liabilities in respect of the Group or of the Company that has arisen since the end of the financial year other than as disclosed in Note 32(c) to the financial statement.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 830,000,000 new ordinary shares at an issue price of RM0.20 per ordinary share as the purchase consideration for the acquisition of the entire equity interest in CUCMS Education Sdn. Bhd. pursuant to a share sale agreement dated 5 December 2016. For the purpose of accounting for the shares consideration, the fair value of RM0.185 per ordinary share as at the date of completion was recorded instead of issue price of RM0.20 in accordance to the share sale agreement.

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

The Company did not issue any debentures during the financial year.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127 of the Companies Act 2016 in Malaysia.

During the financial year, the Company sold its entire 33,829,900 treasury shares at prices ranging from RM0.175 to RM0.185 each in the open market of Bursa Malaysia Securities Berhad. The total consideration received from the sale was RM5,934,283.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

DIRECTORS

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

General Tan Sri Dato' Seri Mohd Shahrom Bin Dato' Hj. Nordin (Rtd)
Dato' Darawati Hussain
Major General Dato' Pahlawan Dr. Mohana Dass A/L Ramasamy (Rtd) *
Loh Kok Leong
Leou Thiam Lai
Tan Sri Prof. Dato' Dr. Marimuthu A/L Thangaveloo
Subramanian A/L Amamalay *

* Directors of the Company and certain subsidiaries.

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

Tan Sri Dr. Zulkurnain Bin Awang
Tan Sri Datuk Dr Ridzwan Bin Abu Bakar
Dato' Amirnuddin Bin Mazlan
Dato' Tengku Sarafudin Badlishah Bin Tengku Sallehuddin (Resigned on 16 November 2017)
Prof. Datuk Dr. Megat Burhainuddin Bin Megat Abdul Rahman
Prof. Dato' Dr. Mohamad Bin Abd Razak
Prof. Dato' Dr. Mahmood Bin Nazar Mohamed
Malayandi @ Kalaiarasu
Dr Khoo Soo Peng

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.1.2017	Bought	Sold	At 31.12.2017
Direct interests:				
Major General Dato' Pahlawan Dr. Mohana Dass A/L Ramasamy (Rtd)	20,000 *	-	(20,000)	-

* The shares were held by HLIB Nominees (Tempatan) Sdn. Bhd. for Major General Dato' Pahlawan Dr. Mohana Dass A/L Ramasamy (Rtd).

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as disclosed in Note 20 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Company were RM20,000,000 and RM25,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

HOLDING COMPANIES

The directors regard Minda Global Berhad, a company incorporated and domiciled in Malaysia which was listed on the Main Market of Bursa Malaysia Securities Berhad on 19 February 2018, as the immediate holding company of the Company effective from 14 February 2018.

Effective from 1 March 2018, the ultimate holding company of the Company is SMRT Holdings Berhad, a company incorporated and domiciled in Malaysia and listed on the ACE Market of the Bursa Malaysia Securities Berhad.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 31 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year is disclosed in Note 32 to the financial statements.

AUDITORS' REMUNERATION

The details of the auditors' remuneration are disclosed in Note 20 to the financial statements.

INDEMNITY TO AUDITORS

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

AUDITORS

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

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

....

GENERAL TAN SRI DATO' SERI MOHD SHAHROM BIN DATO' HJ. NORDIN (RTD)
Director

....

SUBRAMANIAN A/L AMAMALAY
Director

Date: 26 April 2018

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		Group	
	Note	2017 RM'000	2016 RM'000
ASSETS			
Non-current assets			
Property and equipment	5	93,998	95,848
Investment property	6	18,821	20,649
Goodwill on consolidation	7	128,555	-
Other intangible assets	9	1,177	-
Deferred tax assets	10	73	-
		242,624	116,497
Current assets			
Trade and other receivables	11	47,118	10,926
Current tax assets		644	53
Cash and bank balances	12	3,079	5,886
		50,841	16,865
Assets classified as held for sale	13	-	-
TOTAL ASSETS		293,465	133,362
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14	379,756	81,981
Treasury shares	15	-	(12,295)
Share premium	16	-	144,225
Accumulated losses		(133,766)	(98,704)
Total Equity		245,990	115,207

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017 (Continued)

	Note	Group 2017 RM'000	Group 2016 RM'000
LIABILITIES			
Non-current liabilities			
Borrowings	17	2,116	7,006
		2,116	7,006
Current liabilities			
Borrowings	17	2,362	2,000
Trade and other payables	18	42,997	9,149
		45,359	11,149
Total Liabilities		47,475	18,155
TOTAL EQUITY AND LIABILITIES		293,465	133,362

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		Company	
		2017	2016
	Note	RM'000	RM'000
ASSETS			
Non-current assets			
Investment in subsidiaries	8	382,570	227,550
Current assets			
Trade and other receivables	11	1,606	16
Current tax assets		16	41
Cash and cash equivalents	12	180	235
		1,802	292
TOTAL ASSETS		384,372	227,842
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14	379,756	81,981
Treasury shares	15	-	(12,295)
Share premium	16	-	144,225
Retained earnings		3,659	13,496
Total Equity		383,415	227,407
LIABILITIES			
Current liabilities			
Trade and other payables	18	957	435
		957	435
Total Liabilities		957	435
TOTAL EQUITY AND LIABILITIES		384,372	227,842

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

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

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

		Group		Company	
		2017	2016	2017	2016
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	19	19,777	22,619	-	-
Cost of services		(21,106)	(19,301)	-	-
Gross (loss)/profit		(1,329)	3,318	-	-
Other income		6,153	2,589	61	45
Administrative expenses		(25,411)	(27,060)	(2,618)	(1,314)
Other expenses		(7,683)	(7,036)	(919)	(23,619)
Operating loss	20	(28,270)	(28,189)	(3,476)	(24,888)
Finance costs	21	(429)	(512)	-	-
Loss before taxation		(28,699)	(28,701)	(3,476)	(24,888)
Taxation	22	(2)	(10)	-	-
Loss for the financial year, representing total comprehensive loss for the financial year		(28,701)	(28,711)	(3,476)	(24,888)
Loss attributable to:					
Owners of the Company		(28,701)	(28,685)	(3,476)	(24,888)
Non-controlling interests		-	(26)	-	-
		(28,701)	(28,711)	(3,476)	(24,888)
Total comprehensive loss attributable to:					
Owners of the Company		(28,701)	(28,685)	(3,476)	(24,888)
Non-controlling interests		-	(26)	-	-
		(28,701)	(28,711)	(3,476)	(24,888)
Basic and diluted loss per ordinary share (sen)	23	(6.84)	(7.63)		

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

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Attributable to owners of the Company						
	Note	**Share Capital** RM'000	**Treasury Shares** RM'000	**Share Premium** RM'000	**Accumulated Losses** RM'000	**Total** RM'000	**Non-controlling Interests** RM'000	**Total Equity** RM'000
Group								
At 1 January 2016		81,981	(12,294)	144,225	(69,094)	144,818	(699)	144,119
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(28,685)	(28,685)	(26)	(28,711)
Changes in ownership interests in a subsidiary		-	-	-	(925)	(925)	725	(200)
Shares repurchased	15	-	(1)	-	-	(1)	-	(1)
Transactions with owners		-	(1)	-	(925)	(926)	725	(201)
At 31 December 2016		81,981	(12,295)	144,225	(98,704)	115,207	-	115,207

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Continued)

		Attributable to owners of the Company						
	Note	**Share Capital** RM'000	**Treasury Shares** RM'000	**Share Premium** RM'000	**Accumulated Losses** RM'000	**Total** RM'000	**Non-controlling Interests** RM'000	**Total Equity** RM'000
Group								
At 1 January 2017		81,981	(12,295)	144,225	(98,704)	115,207	-	115,207
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(28,701)	(28,701)	-	(28,701)
Resale of treasury shares		-	12,295	-	(6,361)	5,934	-	5,934
Transition to no par value regime on 31 January 2017		144,225	-	(144,225)	-	-	-	-
Issuance of ordinary shares		153,550	-	-	-	153,550	-	153,550
Transactions with owners		297,775	12,295	(144,225)	(6,361)	159,484	-	159,484
At 31 December 2017		379,756	-	-	(133,766)	245,990	-	245,990

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Continued)

	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Total Equity RM'000
Company						
At 1 January 2016		81,981	(12,294)	144,225	38,384	252,296
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(24,888)	(24,888)
Transactions with owners						
Shares repurchased	15	-	(1)	-	-	(1)
		-	(1)	-	-	(1)
At 31 December 2016		81,981	(12,295)	144,225	13,496	227,407

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Continued)

	Note	Share Capital RM'000	Treasury Shares RM'000	Share Premium RM'000	Retained Earnings RM'000	Total Equity RM'000
Company						
At 1 January 2017		81,981	(12,295)	144,225	13,496	227,407
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	(3,476)	(3,476)
Transactions with owners						
Resale of treasury shares		-	12,295	-	(6,361)	5,934
Transition to no par value regime on 31 January 2017		144,225	-	(144,225)	-	-
Issuance of ordinary shares		153,550	-	-	-	153,550
		297,775	12,295	(144,225)	(6,361)	159,484
At 31 December 2017		379,756	-	-	3,659	383,415

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

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES:				
Loss before taxation	(28,699)	(28,701)	(3,476)	(24,888)
Adjustments for:				
Bad debts written off	-	319	-	-
Depreciation of:				
- property and equipment	5,337	12,244	-	-
- investment property	1,828	2,085	-	-
(Reversal of)/impairment loss on:				
- property and equipment	189	945	-	-
- trade receivables	(778)	(188)	-	-
Loss/(Gain) on disposal of:				
- subsidiary	-	(15)	-	-
- property and equipment	11	-	-	-
Impairment loss on investment in subsidiaries	-	-	919	23,619
Interest expense	429	512	-	-
Interest income	(116)	(157)	(61)	(10)
Property and equipment written off	-	-	-	-
	(21,799)	(12,956)	(2,618)	(1,279)
Changes in Working Capital:				
Trade and other receivables	1,939	12,364	(1,590)	(16)
Trade and other payables	5,868	(2,013)	522	308
Advances to a subsidiary	-	-	*	-
Repayment from subsidiaries	-	-	(1,489)	673
	(13,992)	(2,605)	(5,175)	(314)
Tax paid	(7)	(18)	(5)	(11)
Tax refunded	30	-	30	-
Interest paid	(429)	(512)	-	-
Interest received	116	157	61	10
Net Operating Cash Flows	(14,282)	(2,978)	(5,089)	(315)

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Continued)

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM INVESTING ACTIVITIES:				
Acquisition of non-controlling interests	-	(200)	-	(200)
Acquisition of a subsidiary, net of cash	519	-	-	-
Additions in property, plant and equipment	(640)	-	-	-
Disposal of subsidiary, net of cash	-	(107)	-	-
Increase in investment in subsidiaries	-	-	(900)	-
Proceeds from disposal of property and equipment	10,275	38	-	-
Purchase of property and equipment	-	(868)	-	-
Net Investing Cash Flows	10,154	(1,137)	(900)	(200)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repurchase of treasury shares	-	(1)	-	(1)
Withdrawal/(Placement) of deposits pledged with licensed banks	336	(16)	-	-
Repayment of borrowings (Note (a))	(4,613)	(1,909)	-	-
Proceeds from the resale of treasury shares	5,934	-	5,934	-
Net Financing Cash Flows	1,657	(1,926)	5,934	(1)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(2,471)	(6,041)	(55)	(516)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	5,187	11,228	235	751
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	2,716	5,187	180	235
ANALYSIS OF CASH AND CASH EQUIVALENTS:				
Deposits placed with licensed banks	363	2,199	-	-
Cash and bank balances	2,716	3,687	180	235
	3,079	5,886	180	235
Less: Deposits pledged with licensed banks	(363)	(699)	-	-
Cash and cash equivalents	2,716	5,187	180	235

* Less than RM1,000

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Continued)

(a) Reconciliation of liabilities arising from financing activities:

			Non-cash	
	1 January 2017 RM'000	**Cash flows** RM'000	**Acquisition of subsidiary** RM'000	**31 December 2017** RM'000
Term loan	9,006	(4,613)	-	4,393
Finance lease liabilities	-	-	85	85
	9,006	(4,613)	85	4,478

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

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

The registered office of the Company is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The principal place of business of the Company is located at G-8, Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor Darul Ehsan.

Effective from 14 February 2018, the immediate holding company of the Company is Minda Global Berhad, a company incorporated and domiciled in Malaysia which was listed on the Main Market of Bursa Malaysia Securities Berhad on 19 February 2018.

Effective from 1 March 2018, the ultimate holding company of the Company is SMRT Holdings Berhad, a company incorporated and domiciled in Malaysia and listed on the ACE Market of the Bursa Malaysia Securities Berhad.

The Company is principally engaged in investment holding whilst the principal activities of the subsidiaries are as stated in Note 8. There has been no significant change in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 April 2018.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

(a) Adoption of Amendments/Improvements to MFRSs

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

Amendments/Improvements to MFRSs	
MFRS 12	Disclosure of Interest in Other Entities
MFRS 107	Statement of Cash Flows
MFRS 112	Income Taxes

2. **BASIS OF PREPARATION (Continued)**

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

(a) **Adoption of Amendments/Improvements to MFRSs (Continued)**

The adoption of the above amendments/improvements to MFRSs did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and the Company's existing accounting policies, except for those as discussed below:

Amendments to MFRS 107 Statement of Cash Flows

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

The Group has applied the amendments prospectively and accordingly, have disclosed the reconciliation in the statements of cash flows.

(b) **New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective**

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

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 9	Financial Instruments	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time adoption of MFRSs	1 January 2018
MFRS 2	Share-based Payment	1 January 2018
MFRS 3	Business Combinations	1 January 2019
MFRS 4	Insurance Contracts	1 January 2018
MFRS 9	Financial Instruments	1 January 2019
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 112	Income Taxes	1 January 2019
MFRS 119	Employee Benefits	1 January 2019
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2018/ 1 January 2019/ Deferred
MFRS 140	Investment Property	1 January 2018
New IC Int		
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

2. **BASIS OF PREPARATION (Continued)**

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

(b) **New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)**

The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs and new IC Int when they become effective. The Group is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs and new IC Int. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs and new IC Int are summarised below.

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.

Key requirements of MFRS 9:

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

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

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

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

2. **BASIS OF PREPARATION (Continued)**

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

(b) **New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)**

MFRS 15 Revenue from Contracts with Customers

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

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

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

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

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

MFRS 16 Leases

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

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

Amendments to MFRS 3 Business Combinations and MFRS 11 Joint Arrangements

Amendments to MFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. Amendments to MFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

2. **BASIS OF PREPARATION (Continued)**

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

(b) **New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)**

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

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

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

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

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 123 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

2. **BASIS OF PREPARATION (Continued)**

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

(b) **New MFRSs, Amendments/Improvements to MFRSs and New IC Int that have been issued, but yet to be effective (Continued)**

Amendments to MFRS 140 Investment Property

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

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

IC Int 23 Uncertainty over Income Tax Treatments

IC Int clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

2.3 **Functional and Presentation Currency**

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

2.4 **Basis of Measurement**

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

2. BASIS OF PREPARATION (Continued)

2.5 Use of Estimates and Judgements

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the 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 that are significant to the financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Group adopted *MFRS 10 Consolidated Financial Statements.*

- 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.
- Potential voting rights are considered when assessing control only when such rights are substantive.
- 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.

Separate financial statements

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.1(k).

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

3.1 **Significant Accounting Policies (Continued)**

(a) **Basis of Consolidation (Continued)**

(ii) *Business Combination*

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.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

(i) the fair value of consideration transferred; plus
(ii) the recognised amount of any non-controlling interest in the acquiree; plus
(iii) if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
(iv) 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.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

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

(iii) *Acquisition of Non-Controlling Interests*

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 Group reserves.

(iv) *Non-Controlling Interests*

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

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

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

3.1 **Significant Accounting Policies (Continued)**

(a) **Basis of Consolidation (Continued)**

(v) *Transaction 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.

(vi) *Loss of Control*

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests 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.

(b) **Property and Equipment and Depreciation**

All property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.1(k).

Costs include expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(b) Property and Equipment and Depreciation (Continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Capital work in progress are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Building	33 1/3 years
Books	5 - 10 years
Motor vehicles	5 years
Furniture and fittings	5 - 10 years
Computer, LCD and overhead projectors	2 1/2 - 5 years
Renovation and electrical installation	5 - 10 years
Office and medical equipment	5 - 10 years
Robes	5 years
Cabin	10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Fully depreciated assets are retained in the accounts until the assets are no longer in use.

An item of property 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 period the asset is derecognised.

(c) Investment Properties

Investment properties are leasehold land and buildings which are held either to earn rental income or capital appreciation or for both and are not substantially occupied by the Group. Such properties are measured initially at cost, including transaction costs. Subsequent to the initial recognition, investment properties are stated at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.1(k).

The estimated useful lives of investment properties are as follows:

Leasehold building	33 1/3 years
Leasehold land	76 years
Renovation and electrical installation	10 years

Investment properties are derecognised when they have been disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their disposals. Any gains and losses on the retirement or disposal of investment properties are recognised in the profit or loss in the financial year in which they arise.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(d) Other Intangible Assets

(i) *Development Costs*

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

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

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

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.1(k) to the financial statements.

(ii) *Other Intangible Assets*

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives are measured at cost less any accumulated amortisation and any accumulated impairment losses.

(iii) *Subsequent Expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iv) *Amortisation*

Intangible assets, other than goodwill, are amortised from the date that they are available for use. Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

Development costs	3 - 10 years
Intellectual rights	5 years

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted, if appropriate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(e) **Leases**

(i) *Finance Lease*

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measure at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance lease are apportioned between the finance costs and the reduction of the outstanding liability. Finance costs is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property and equipment.

(ii) *Operating Lease*

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases; the leased assets are not recognised in the statements of financial position.

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

Leasehold land which in substance is an operating lease is classified as prepaid lease payments.

(f) **Non-Current Assets Held for Sale**

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(f) Non-Current Assets Held for Sale (Continued)

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of pledged deposits.

(h) Financial Assets

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 transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and have categorised their 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 at Fair Value Through Profit or Loss*

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near future.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains and losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss is recognised as part of other expenses or other income.

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

3.1 **Significant Accounting Policies (Continued)**

(h) **Financial Assets (Continued)**

(i) *Financial Assets at Fair Value Through Profit or Loss* (Continued)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) *Loans and Receivables*

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

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

Loan and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) *Held-to-Maturity Investments*

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

(iv) *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. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

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

3.1 **Significant Accounting Policies (Continued)**

(h) **Financial Assets (Continued)**

(iv) *Available-for-Sale Financial Assets* (Continued)

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on available-for-sale equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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.

(i) **Financial Liabilities**

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

Financial liabilities 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.

(i) *Financial Liabilities at Fair Value Through Profit or Loss*

Financial liabilities at fair value through profit or loss include 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 resulted 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(i) Financial Liabilities (Continued)

(ii) *Other Financial Liabilities*

The Group's and the Company's other financial liabilities include trade and 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.

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group and the Company has an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

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

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

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

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

3.1 **Significant Accounting Policies (Continued)**

(k) **Impairment of Assets**

(i) *Impairment of Financial Assets*

All financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries) are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised. For an equity instrument, a significant or prolonged decline in the fair value below its cost is an objective evidence of impairment.

An impairment loss in respect of loans and receivables and held-to-maturity investments is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of available-for-sale financial assets is recognised in the profit or loss and is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and the asset's current fair value, less any impairment loss previously recognised. Where a decline in the fair value of an available-for-sale financial asset has been recognised in the other comprehensive income, the cumulative loss in other comprehensive income is reclassified from equity and recognised to profit or loss.

An impairment loss in respect of unquoted equity instrument that is carried at cost is recognised in profit or loss and 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.

Impairment losses recognised in profit or loss for an investment in an equity instrument is not reversed through the profit or loss.

If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset's carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in the profit or loss.

(ii) *Impairment of Non-financial Assets*

The Group assesses at each reporting date 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.

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

3.1 **Significant Accounting Policies (Continued)**

(k) **Impairment of Assets (Continued)**

(ii) *Impairment of Non-financial Assets* (Continued)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. Where the carrying amounts of an asset exceed its recoverable amount, the asset is considered impaired and 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.

An impairment loss is recognised in the profit or loss in the period in which it arises.

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed its carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the profit or loss.

(l) **Equity Instruments**

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 declared before the reporting date. A dividend declared after the reporting date, but before the financial statements are authorised for issue, is not recognised as a liability at the reporting date.

Cost incurred directly attributable to the issuance of the shares are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statements of changes in equity.

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

3.1 **Significant Accounting Policies (Continued)**

(l) **Equity Instruments (Continued)**

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(m) **Revenue and Other Income**

(i) *Services*

Revenue of the Group represents course fees, registration fees, processing fees, administration fees and other miscellaneous fees.

Revenue from course fees is recognised over the period of the course in profit or loss. Registration fees, processing fees and administration fees are recognised in profit or loss upon commencement of the course.

Other miscellaneous fees represent convocation fees and co-curriculum fees and are recognised upon services rendered.

(ii) *Income from sales of software application*

Income from sales of software application is recognised upon services rendered to customers and customers' acceptance, net of discounts.

(iii) *Interest Income*

Interest income is recognised using the effective interest method.

(iv) *Dividend Income*

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established.

(v) *Rental Income*

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

(n) **Borrowing Costs**

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

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

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

3.1 **Significant Accounting Policies (Continued)**

(n) **Borrowing Costs (Continued)**

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(o) **Income Tax**

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

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

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statements 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 which is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax liabilities and assets, and they related 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 is recognised to the extent that it is probable that the future taxable profits will be available against which the temporary deference 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.

Unutilised investment tax allowance, being tax incentive that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3.1 Significant Accounting Policies (Continued)

(p) Earnings per share

(i) *Basic*

Basic earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year.

(ii) *Diluted*

Diluted earnings per ordinary share for the financial year is calculated by dividing the profit for the financial year attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the financial year adjusted for the effects of dilutive potential ordinary shares.

(q) Operating Segments

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 Group Executive Director 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) Employee Benefits

(i) *Short Term Employee Benefits*

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

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) *Post-employment Benefits*

The Group and the Company 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 they are related. Once the contributions have been paid, the Group and the Company has no further payment obligations.

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

3.1 **Significant Accounting Policies (Continued)**

(s) **Fair Value Measurements**

The Company adopted MFRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

(t) **Provisions**

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

If the effect of the time value of money is material, provisions that are determined based on the expected future cash flows to settle the obligation are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provisions due to passage of time is recognised as finance costs.

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

Legal claims

For lawsuit provisions, a probability-weighted expected outcome is applied in the measurement, taking into account past court judgements made in similar cases and advice of legal experts.

(u) **Contingent Liability**

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(i) Impairment of Property and Equipment (Note 5)

The Group and the Company assess impairment of assets whenever the events and 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 costs of disposal for that asset or its value-in-use. The fair value of assets derived from valuation reports provided by an independent valuer. The value-in-use is the net present value of the projected future cash flow derived from the operating assets discounted at an appropriate discount rate. Projected future cash flows are based on the Group's estimates on assumptions which include discount rate, forecast number of students and operating expenses.

(ii) Impairment of Goodwill (Note 7)

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating unit ("CGU") to which goodwill are allocated. Estimating a value-in-use amount requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(iii) Impairment of Investment in Subsidiaries (Note 8)

The Company carried out the impairment test based on a variety of estimation including fair value less costs of disposal and the value-in-use of the cash generating unit. Estimating a value-in-use amount requires the Company to make an estimation of the expected future cash flows from the subsidiaries and also to choose a suitable discount rate in order to calculate the present value of those cash flows. An impairment loss is recognised immediately in the profit or loss if the recoverable amount is less than the carrying amount.

(iv) Business Combination (Note 8)

The Company determines the accounting treatment for acquisition of subsidiary in accordance to MFRS 3 *Business Combinations*. In accounting for the acquisition of the subsidiary under MFRS 3, the directors have applied judgement on the accounting treatment and the purchase price allocation in relation to the valuation of the assets acquired and liabilities assumed and the purchase consideration.

(v) Recoverability of Trade Receivables (Note 11)

The Group and the Company provide impairment of trade receivables based on an assessment of the recoverability of the receivables. Impairment is applied to trade receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analysed historical bad debts when making a judgement to evaluate the adequacy of the impairment of receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables.

5. PROPERTY AND EQUIPMENT

	Freehold Land RM'000	Leasehold Land RM'000	Building RM'000	Books RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Computer, LCD and Overhead Projectors RM'000	Renovation and Electrical Installation RM'000	Office and Medical Equipment RM'000	Robes RM'000	Cabin RM'000	Capital Work-in-Progress RM'000	Total RM'000
Group													
Cost													
At 1 January 2017	1,115	15,882	120,231	5,668	3,634	19,085	11,371	32,554	31,454	843	-	690	242,527
Additions	-	-	-	-	70	-	-	208	18	-	-	344	640
Reclassification from deposits	3,609	-	-	-	-	-	-	-	-	-	-	-	3,609
Reclassification	-	-	-	-	-	-	235	258	541	-	-	(1,034)	-
Written off	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Disposals	-	(1,091)	(11,442)	-	(435)	(131)	-	(3,553)	(273)	-	-	-	(16,925)
Acquisition of subsidiary	-	-	-	111	242	153	1,495	222	406	-	19	8,111	10,759
At 31 December 2017	4,724	14,791	108,789	5,779	3,511	19,107	13,101	29,689	32,141	843	19	8,111	240,605

5. PROPERTY AND EQUIPMENT (Continued)

	Freehold Land RM'000	Leasehold Land RM'000	Building RM'000	Books RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Computer, LCD and Overhead Projectors RM'000	Renovation and Electrical Installation RM'000	Office and Medical Equipment RM'000	Robes RM'000	Cabin RM'000	Capital Work-in-Progress RM'000	Total RM'000
Accumulated Depreciation and Impairment Loss													
At 1 January 2017													
Accumulated depreciation	-	1,258	21,435	2,660	3,499	7,158	9,899	20,801	13,744	826	-	-	81,280
Accumulated impairment loss	-	3,894	22,474	2,984	-	11,668	1,232	5,578	17,569	-	-	-	65,399
Depreciation for the financial year	-	152	2,794	3	133	40	146	2,031	26	12	-	-	5,337
Impairment loss for the financial year	-	-	3,264	-	-	-	-	-	-	-	-	-	3,264
Reversal of impairment loss for the financial year	-	(2,988)	-	-	-	(87)	-	-	-	-	-	-	(3,075)
Written off	-	-	-	-	-	-	-	-	(5)	-	-	-	(5)
Disposals													
- Depreciation	-	(79)	(1,949)	-	(435)	(113)	-	(2,381)	(204)	-	-	-	(5,161)
- Impairment loss	-	-	(1,000)	-	-	-	-	(478)	-	-	-	-	(1,478)
Reclassification from deposits	1,046	-	-	-	-	-	-	-	-	-	-	-	1,046
At 31 December 2017													
Accumulated depreciation	1,046	1,331	22,280	2,663	3,197	7,085	10,045	20,451	13,561	838	-	-	82,497
Accumulated impairment loss	-	906	24,738	2,984	-	11,581	1,232	5,100	17,569	-	-	-	64,110
Carrying Amount													
At 31 December 2017	3,678	12,554	61,771	132	314	441	1,824	4,138	1,011	5		8,111	93,998

5. PROPERTY AND EQUIPMENT (Continued)

	Freehold Land RM'000	Leasehold Land RM'000	Building RM'000	Books RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Computer, LCD and Overhead Projectors RM'000	Renovation and Electrical Installation RM'000	Office and Medical Equipment RM'000	Robes RM'000	Cabin RM'000	Capital Work-in-Progress RM'000	Total RM'000
Group													
Cost													
At 1 January 2016	1,115	-	26,389	5,668	4,029	19,111	11,110	12,811	31,471	843	-	194	112,741
Additions	-	-	-	-	15	4	194	58	24	-	-	573	868
Transfer from assets held for sale (Note 13)	-	15,882	93,842	-	-	-	-	19,675	-	-	-	-	129,399
Reclassification	-	-	-	-	-	-	67	10	-	-	-	(77)	-
Disposals	-	-	-	-	(395)	(30)	-	-	(41)	-	-	-	(466)
Disposal of subsidiary	-	-	-	-	(15)	-	-	-	-	-	-	-	(15)
At 31 December 2016	1,115	15,882	120,231	5,668	3,634	19,085	11,371	32,554	31,454	843	-	690	242,527

5. PROPERTY AND EQUIPMENT (Continued)

	Freehold Land RM'000	Leasehold Land RM'000	Building RM'000	Books RM'000	Motor Vehicles RM'000	Furniture and Fittings RM'000	Computer, LCD and Overhead Projectors RM'000	Renovation and Electrical Installation RM'000	Office and Medical Equipment RM'000	Robes RM'000	Cabin RM'000	Capital Work-in-Progress RM'000	Total RM'000
Accumulated Depreciation and Impairment Loss													
At 1 January 2016													
Accumulated depreciation	-	-	7,135	2,657	3,558	7,135	9,735	9,766	13,749	799	-	-	54,534
Accumulated impairment loss	-	-	1,734	2,984	-	11,687	1,232	-	17,588	-	-	-	35,225
Depreciation for the financial year	-	402	6,458	3	336	34	146	4,821	17	27	-	-	12,244
Impairment loss for the financial year	-	1,133	861	-	-	-	-	1,400	-	-	-	-	3,394
Reversal of impairment loss for the financial year	-	-	(1,734)	-	-	(19)	-	(677)	(19)	-	-	-	(2,449)
Transfer from assets held for sale (Note 13)													
- Depreciation	-	856	7,842	-	-	-	-	6,214	-	-	-	-	14,912
- Impairment loss	-	2,761	21,613	-	-	-	-	4,855	-	-	-	-	29,229
Disposals	-	-	-	-	(395)	(11)	-	-	(22)	-	-	-	(428)
At 31 December 2016													
Accumulated depreciation	-	1,258	21,435	2,660	3,499	7,158	9,899	20,801	13,744	826	-	-	81,280
Accumulated impairment loss	-	3,894	22,474	2,984	-	11,668	1,232	5,578	17,569	-	-	-	65,399
Carrying Amount													
At 31 December 2016	1,115	10,730	76,322	24	135	259	240	6,175	141	17	-	690	95,848

5. **PROPERTY AND EQUIPMENT (Continued)**

Group

(a) **Impairment loss**

During the financial year, the Group assessed the recoverable amount of its property and equipment with net carrying amount of RM83,238,817 (2016: RM95,847,863) in view of the recent operating losses of certain subsidiaries and vacant properties.

The recoverable amount was determined based on the higher of fair value less costs of disposal and the value-in-use. An impairment loss of RM3,263,622 (2016: RM3,394,200) and reversal of impairment loss of RM3,074,510 (2016: RM2,449,450) was recognised in profit or loss based on comparison of fair value less costs of disposal and the net carrying amount in respect of assets with recoverable amount of RM82,320,000 (2016: RM73,696,000). The fair value amounts were derived from valuation reports provided by an independent valuer based on comparison method. The fair value is within Level 3 of the fair value hierarchy, whereby the fair value is estimated using price per square foot and the adjustments on the differences in location, size, tenure, market condition and other differences.

(b) **Security**

At 31 December 2017, land and buildings with a net carrying amount of RM20,261,737 (2016: RM23,135,149) were pledged to secure bank loans (Note 17).

(c) **Leasehold land**

Leasehold land has remaining unexpired lease period of more than 50 years.

(d) **Other**

The title of freehold land and certain buildings with a net carrying amount of RM18,828,289 (2016: RM19,598,761) is pending issuance by the relevant authorities.

(e) **Capital work-in-progress**

Capital work-in-progress is in respect of renovation cost incurred for new campus during the financial year.

6. INVESTMENT PROPERTY

	2017 RM'000	2016 RM'000
Cost		
At 1 January/31 December	38,497	38,497
Accumulated Depreciation		
At 1 January		
Accumulated depreciation	17,848	15,763
Depreciation for the financial year	1,828	2,085
At 31 December	19,676	17,848
Net Carrying Amount		
At 31 December	18,821	20,649

(a) The fair value for the investment property of approximately RM39 million (2016: RM39 million) is determined by the directors based on an independent valuer's valuation report. Fair value of investment property is categorised as Level 3 of fair value hierarchy, whereby the fair value is estimated based on comparison method using price per square foot and the adjustments on the differences in location, size, tenure, market condition and other differences, and cost method using construction costs per square foot.

(b) The following are recognised in profit or loss in respect of investment property:

	2017 RM'000	2016 RM'000
Rental income	1,122	2,040
Direct operating expenses		
- income generating investment property	180	147

7. GOODWILL ON CONSOLIDATION

	Education Unit RM'000	**Total** RM'000
2017		
Group		
Cost		
At 1 January	-	-
Acquisition of a subsidiary	128,555	128,555
At 31 December	128,555	128,555
Accumulated Impairment Loss		
At 1 January	-	-
Impairment during the financial year	-	-
At 31 December	-	-
Net Carrying Amount		
At 31 December	128,555	128,555

7. **GOODWILL ON CONSOLIDATION (Continued)**

Goodwill on consolidation arise from the acquisition of CUCMS Education Sdn. Bhd. ("CESB"). CESB is identified as a single CGU.

Goodwill is assessed at each reporting date regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of each cash generating units ("CGUs").

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from forecasts approved by the Group covering a five-year period.

Education Unit

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

- Cash flows were projected based on past experience, actual operating results and management's plans. The Group believes that the 5 years forecasts period together with its estimated terminal value was justified due to the long-term nature of the education business;
- The average revenue growth rates in financial year 2018 to financial year 2022 are within the range of 11% to 22%. The Group believes its growth rate for the next 5 years are justifiable based on several strategies in place such as increase in students' number and tuition fees; and
- The growth rate used in determining the terminal value is 2.5% which is based on the country headline inflation rate.
- The 15% discount rate is the weighted average cost of capital which reflects the risk relating to the education business.

The values assigned to the above key assumptions represent the Group's assessment of future trends in the industry and are based on both external sources and internal sources of information.

Based on the sensitivity analysis performed, the Group believes that no reasonably possible change in base case key assumptions would cause the carrying value of the cash-generating unit ("CGU") to exceed its recoverable amount.

8. INVESTMENT IN SUBSIDIARIES

	Company 2017 RM'000	2016 RM'000
At cost:		
Unquoted shares	248,513	95,671
Amount due from a subsidiary	175,229	172,132
	423,742	267,803
Less: Accumulated impairment losses		
At beginning of the financial year	(40,253)	(16,634)
Additions	(919)	(23,619)
At end of the financial year	(41,172)	(40,253)
	382,570	227,550

The amount due from a subsidiary is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is in substance, a part of the Company's net investment on the subsidiary, it is stated at cost less accumulated impairment losses.

During the financial year, the Company assessed the recoverable amount of certain subsidiaries in view of the recent operating losses. The recoverable amount was determined based on value-in-use of the subsidiaries.

The details of the subsidiaries, which have principal place of business or incorporated in Malaysia, are as follows:

Name of Company	Ownership Interest/ Voting Rights 2017 %	2016 %	Principal Activities
Direct			
ASIAMET (M) Sdn. Bhd.	100	100	Provision of education services
Valencia Education Group Sdn. Bhd.	100	100	Provision of education services
ASIAMET (Ipoh) Sdn. Bhd.	100	100	Dormant
Aspiration Achievers Network Sdn. Bhd.	100	100	Dormant
ASIAMET (KB) Sdn. Bhd.	100	100	Dormant
ASIAMET (KK) Sdn. Bhd.	100	100	Provision of education services
ASIAMET (Kuching) Sdn. Bhd.	100	100	Provision of education services
CUCMS Education Sdn. Bhd.	100	-	Provision of education services

8. INVESTMENT IN SUBSIDIARIES (Continued)

The details of the subsidiaries, which have principal place of business or incorporated in Malaysia, are as follows (Continued):

Name of Company	Ownership Interest/ Voting Rights 2017 %	2016 %	Principal Activities
Indirect through Asiamet (M) Sdn. Bhd.			
ASIAMET Resources Sdn. Bhd.	100	100	Dormant
ASIAMET International Sdn. Bhd.	100	100	Dormant
Indirect through CUCMS Education Sdn. Bhd.			
Fusion Bio-Life Sciences Sdn. Bhd.	100	-	Dormant
CUCMS Edutech Sdn. Bhd.	100	-	Development of software, application development and provision for technology consulting services.

2017

<u>Acquisition of subsidiaries</u>

On 27 December 2017, the Company acquired the entire issued and paid-up share capital of CUCMS Education Sdn Bhd ("CESB"), comprising 20,000,000 ordinary shares in CESB from SMRT Holdings Berhad and its wholly-owned subsidiary, SMR Education Sdn. Bhd. for an aggregate purchase consideration of RM166,000,000 which was satisfied via the issuance of 830,000,000 new ordinary shares in the Company at an issue price of RM0.20 per share.

The fair values of assets acquired, liabilities assumed and purchase consideration have been determined on a provisional basis pending completion of purchase price allocation exercise. The purchase price allocation exercise is expected to be completed within 12 months from the acquisition date.

Summary of effect on acquisition of subsidiaries

Effect of acquisition in statements of profit or loss and other comprehensive income

The subsidiary's revenue and profit for the financial year were not consolidated with that of the Company as the acquisition was completed on 27 December 2017.

8. **INVESTMENT IN SUBSIDIARIES (Continued)**

2017 (Continued)

Acquisition of subsidiaries (Continued)

If the acquisition had occurred on 1 January 2017, the consolidated results for the financial year ended 31 December 2017 would have been as follows:

	Group 2017 RM'000
Revenue	84,300
Loss for the financial year	(22,010)

Fair value of consideration transferred:

	Group 2017 RM'000
830,000,000 ordinary shares of the Company	153,550
Contingent consideration receivable	(1,590)
	151,960

As at the acquisition date, the fair value of the contingent consideration was estimated to be RM1,589,821 and recognised as contingent consideration receivable.

The fair value of the 830,000,000 ordinary shares issued as the consideration paid for CESB was determined on the basis of the closing market price of the Company's ordinary shares of RM0.185 per share on the acquisition date.

Identifiable assets acquired and liabilities assumed:

	Group 2017 RM'000
Property, plant and equipment	10,759
Intangible assets	1,177
Deferred tax assets	73
Trade and other receivables	38,326
Cash and bank balances	519
Tax recoverable	616
Trade and other payables	(27,980)
Hire purchase payables	(85)
	23,405
Goodwill (Note 7)	128,555
Total purchase consideration	151,960

Goodwill comprises the value of expected synergies arising from the acquisition and non-identifiable intangible assets which are not separately recognised.

8. INVESTMENT IN SUBSIDIARIES (Continued)

2017 (Continued)

Acquisition of subsidiaries (Continued)

Net cash outflows/(inflows) arising from acquisition of subsidiaries:

	Group 2017 RM'000
Fair value consideration transferred	153,550
Less: Non-cash consideration	(153,550)
Consideration paid in cash	-
Less: Cash and cash equivalents of subsidiaries acquired	(519)
Net cash inflows on acquisition	(519)

Acquisition-related costs of the business combination amounted to RM1,524,063 was recognised in profit or loss as administrative expenses.

2016

Disposal of subsidiary

On 4 July 2016, the Company's wholly-owned subsidiary, ASIAMET (M) Sdn. Bhd. ("AMSB") entered into share sale agreement with Yeoh Ah Leong to dispose its entire 100% equity interest equivalent to 10,000 ordinary shares of RM1.00 each in the issued and paid-up share capital of ASIAMET Executive Education Centre Sdn. Bhd. ("AEECSB") for a cash consideration of RM185,000. The disposal was completed on 6 October 2016 and accordingly, AEECSB ceased to be the subsidiary of AMSB.

Effect of disposal on the financial position of the Group is as follows:

	2016 RM'000
Assets	
Property and equipment	15
Trade and other receivables	24
Cash and bank balances	292
	331
Liability	
Trade and other payables	(161)
Total net asset	170
Gain on disposal of subsidiary	15
Total cash consideration received	185
Less: Cash and cash equivalents of subsidiary disposed	(292)
Disposal of subsidiary, net of cash and cash equivalents disposed	(107)

8. INVESTMENT IN SUBSIDIARIES (Continued)

2016 (Continued)

Acquisition of non-controlling interests

On 20 June 2016, the Company acquired 150,000 ordinary shares of RM1.00 each, representing the remaining 30% equity interest in Valencia Education Group Sdn. Bhd. ("VEGSB") for a total cash consideration of RM200,000. Consequently, VEGSB became a wholly-owned subsidiary of the Company.

9. OTHER INTANGIBLE ASSETS

	Softwares RM'000	**Development Costs** RM'000	**Intellectual Rights** RM'000	**Total** RM'000
2017				
Group				
Cost				
At 1 January	-	-	-	-
Acquisition of a subsidiary	992	182	3	1,177
At 31 December	992	182	3	1,177
Accumulated Depreciation				
At 1 January	-	-	-	-
Amortisation for the financial year	-	-	-	-
At 31 December	-	-	-	-
Net Carrying Amount				
At 31 December	992	182	3	1,177

10. DEFERRED TAX ASSETS

	Group 2017 RM'000	Group 2016 RM'000
At 1 January	-	-
Acquisition of a subsidiary	73	-
At 31 December	73	-

Deferred tax assets and deferred tax liabilities presented after appropriate offsetting as follows:

	Group 2017 RM'000	Group 2016 RM'000
Deferred tax assets	1,172	503
Deferred tax liabilities	(1,099)	(503)
	73	-

Deferred tax assets and liabilities are attributable to the following:

	Group 2017 RM'000	Group 2016 RM'000
Deferred tax assets		
Other deductible temporary differences	208	431
Unabsorbed capital allowances	276	72
Deferred income	688	-
	1,172	503
Deferred tax liabilities		
Differences between the carrying amount of property and equipment and its tax base	1,099	503

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

	Group 2017 RM'000	Group 2016 RM'000
Other deductible temporary differences	-	267
Unabsorbed capital allowances	108,244	74,844
Unutilised investment tax allowances	90,466	90,466
Unutilised tax losses	82,525	95,933
	281,235	261,510

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Trade				
Trade receivables	71,605	52,497	-	-
Less: Allowance for impairment losses	(48,254)	(49,032)	-	-
	23,351	3,465	-	-
Non-trade				
Other receivables	7,390	1,224	1,590	-
GST refundable	875	-	-	-
Deposits	8,153	5,442	-	-
Prepayments	2,774	795	16	16
Amount due from related parties	4,575	-	*	-
	23,767	7,461	1,606	16
	47,118	10,926	1,606	16

* Less than RM1,000

(a) The Group's normal credit terms is 30 days (2016: 30 days). Other credit terms are assessed and approved on a case-to-case basis.

(b) Included in trade receivable of the Group is an amount of RM1,317,166 (2016: RM Nil) which is due from a foundation in which a director of a corporate shareholder is the founder and director.

(c) Included in other receivables of the Group are:

(i) amounts of RM2,231,300 (2016: RM Nil) receivable for services rendered in respect of programme-related development, marketing-related programmes and students' recruitment;

(ii) amount due from a corporate shareholder of RM Nil (2016: RM20,000); and

(iii) contingent consideration receivable amounting to RM1,589,821 (2016: RM Nil).

(d) Included in deposits of the Group are:

(i) rental deposits amounting to RM7,046,916 (2016: RM2,098,663); and

(ii) payment made to purchase 6 properties amounting to RM Nil (2016: RM1,946,968) which is the subject matter of a material litigation as disclosed in Note 25.

(e) The amount due from related parties is non-trade in nature, unsecured, interest free and repayable on demand in cash. Related parties refer to subsidiaries of a corporate shareholder.

11. TRADE AND OTHER RECEIVABLES (Continued)

(e) The ageing analysis of the Group are as follows:

(i) Trade receivables

	Group 2017 RM'000	Group 2016 RM'000
Neither past due nor impaired	942	414
Past due but not impaired:		
1 to 30 days	3,609	577
31 to 60 days	884	996
61 to 90 days	621	760
More than 90 days	17,295	718
	22,409	3,051
	23,351	3,465
Impaired	48,254	49,032
	71,605	52,497

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired at the reporting date are creditworthy receivables. Most of the trade receivables arises from students under Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN"), Majlis Amanah Rakyat ("MARA"), other educational sponsors and self-sponsored students.

Receivables that are past due but not impaired

At the reporting date, the Group has trade receivables amounting to RM22,408,596 (2016: RM3,051,008) that are past due but not impaired.

Trade receivables that are past due but not impaired mainly relates to students who are still attending courses with the Group or reputable institutions who are the sponsors for these students. Based on past experience and the creditworthiness of these institutions, the Group are of the opinion that no impairment is necessary.

11. TRADE AND OTHER RECEIVABLES (Continued)

(e) The ageing analysis of the Group are as follows: (Continued)

(i) Trade receivables (Continued)

Receivables that are impaired

The movements in allowance for impairment losses during the financial year were as follows:

	Group	
	2017 RM'000	2016 RM'000
At 1 January	49,032	48,798
Addition during the financial year (Note 20)	175	1,014
Reversal during the financial year (Note 20)	(953)	(1,202)
Reversal of write off	-	422
At 31 December	48,254	49,032

The allowance account in respect of trade receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount which is considered irrecoverable is written off against the receivable directly.

(ii) Other receivables and deposits are neither past due nor impaired.

12. CASH AND BANK BALANCES

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Deposits placed with licensed banks	363	2,199	-	-
Cash and bank balances	2,716	3,687	180	235
	3,079	5,886	180	235

(a) Deposits placed with licensed banks of RM363,189 (2016: RM699,000) have been pledged to licensed banks for a bank guarantee facility and to secure credit facilities granted to a subsidiary.

(b) The deposits with licensed banks of the Group have a maturity period of 365 days (2016: 4 to 365 days) and bear interest at a rate of 2.95% (2016: 2.70% to 3.20%) per annum.

13. ASSETS CLASSIFIED AS HELD FOR SALE

2016

In the previous financial year, the Group did not receive any reasonable offers to purchase the campuses although the Group had actively solicited for potential buyer via its appointed real estate agency. As such, upon assessment of the requirements under *MFRS 5, Non-Current Assets Held For Sale and Discontinued Operations*, the Group reclassified its campuses to property and equipment (Note 5). This had resulted in the Group recognising a depreciation charge amounting to RM10,088,136 during the financial year.

14. SHARE CAPITAL

	Group and Company			
	2017		2016	
	Number of Shares '000	RM'000	Number of Shares '000	RM'000
Issued and fully paid:				
At beginning of the financial year	409;906	81,981	409,906	81,981
Issued during the financial year	830,000	153,550	-	-
Transition to no-par value regime	-	144,225	-	-
At end of the financial year	1,239,906	379,756	409,906	81,981

The new 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 RM144,224,967 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 RM144,224,967 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 holders of ordinary shares (except treasury shares) are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets.

14. SHARE CAPITAL (Continued)

During the financial year, the Company issued 830,000,000 new ordinary shares at an issue price of RM0.20 per ordinary share as the purchase consideration for the acquisition of the entire equity interest in CUCMS Education Sdn. Bhd. pursuant to a share sale agreement dated 5 December 2016. For the purpose of accounting for the shares consideration, the fair value of RM0.185 per ordinary share as at the date of completion was recorded instead of issue price of RM0.20 in accordance to the share sale agreement.

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

15. TREASURY SHARES

The shareholders of the Company, by a resolution passed in the Annual General Meeting held on 10 May 2016, renewed the approval for the Company to repurchase its own shares. The directors of the Company were committed to enhance the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

In the previous financial year, the Company repurchased 2,000 of its issued share capital (ordinary shares) from the open market. The average price paid for the shares repurchased is RM0.29 per share including transaction costs, and the repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

As at 31 December 2016, the Company held as treasury shares a total of 33,829,900 of its 409,905,780 issued ordinary shares. Such treasury shares were held at a carrying amount of RM12,294,852.

During the financial year, the Company resold its entire 33,829,900 treasury shares at prices ranging from RM0.175 to RM0.185 each in the open market on Bursa Malaysia Securities Berhad. The total consideration received from the sale was RM5,934,283.

16. SHARE PREMIUM

Share premium comprises the premium paid on subscription of shares in the Company over and above the par value of the shares. Pursuant to Section 618(2) of the Act, the sum of RM144,224,967 standing to the credit of the Company's share premium account has been transferred and became part of the Company's share capital as disclosed in Note 14.

17. BORROWINGS

	Group 2017 RM'000	Group 2016 RM'000
Non-current		
Term loan (Islamic) (secured) (Note 17(a))	2,087	7,006
Hire purchase payables (Note 17(b))	29	-
	2,116	7,006
Current		
Term loan (Islamic) (secured) (Note 17(a))	2,306	2,000
Hire purchase payables (Note 17(b))	56	-
	2,362	2,000
	4,478	9,006

(a) **Term loan**

(i) The secured term loan consists of Bai' Bithaman Ajil Islamic financing facility bearing a yield payable of 5.20% (2016: 5.15%) per annum.

(ii) The term loan is secured by legal charge over the land and buildings as disclosed in Note 5.

(b) **Hire purchase payables**

	Group 2017 RM'000	Group 2016 RM'000
Future minimum hire purchase payments:		
- not later than one year	53	-
- later than one year but not later than five years	35	-
	88	-
Less: Future interest charges	(3)	-
Present value of hire purchase payables	85	-
Represent by:		
Current	56	-
Non-current	29	-
	85	-

Hire purchase payables bear interest ranging from 2.51% to 2.75%.

18. TRADE AND OTHER PAYABLES

	Group 2017 RM'000	Group 2016 RM'000	Company 2017 RM'000	Company 2016 RM'000
Trade				
Trade payables	6,023	16	-	-
Non-trade				
Other payables	19,183	1,664	908	407
GST payable	148	-	-	-
Accruals	7,622	5,405	49	28
Dividend payable to former shareholders of subsidiary	1,000	-	-	-
Deposits received	2,101	-	-	-
Deferred income	5,793	2,064	-	-
Amounts due to related parties	1,127	-	-	-
	36,974	9,133	957	435
	42,997	9,149	957	435

(a) Included in other payables of the Group are:

(i) an amount of RM6,101,361 (2016:. RM Nil) due to contractor for the renovation of new campus;

(ii) an amount of RM2,970,273 (2016: RM Nil) in respect of rental of premises; and

(iii) an amount due to a corporate shareholder of RM662,500 (2016: RM142,040) in respect of management fees which is unsecured, interest free and repayable on demand in cash.

(b) Included in other payables of the Group and of Company are amounts of RM7,000 (2016: RM3,250) in respect of fees payable to certain directors.

(c) Amounts due to related parties are non-trade in nature, unsecured, interest free and repayable on demand in cash. Related parties refer to subsidiaries of a corporate shareholder.

19. REVENUE

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Course fees	16,289	18,706	-	-
Administration fees	262	173	-	-
Resource Fee	-	367	-	-
Registration fees	207	232	-	-
Processing fees	23	20	-	-
Other miscellaneous fees	2,996	3,121	-	-
	19,777	22,619	-	-

20. OPERATING LOSS

Operating loss for the financial year has been arrived at:

	Group		Company	
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
After charging:				
Auditors' remuneration				
- statutory audit				
- current year	183	171	42	42
- prior year	5	-	4	-
- other services	104	108	103	108
Bad debts written off	-	319	-	-
Depreciation of:				
- property and equipment	5,337	12,244	-	-
- investment property	1,828	2,085	-	-
Non-executive directors				
- fees	327	332	216	216
- allowance	129	132	14	16
Impairment loss on:				
- property and equipment	3,264	3,394	-	-
- trade receivables	175	1,014	-	-
- investment in subsidiaries	-	-	919	23,619
Loss on disposal of:				
- property and equipment	11	-	-	-
Personnel expenses (including key management personnel):				
- contributions to Employees Provident Fund	1,227	1,511	52	40
- wages, salaries and others	13,852	16,490	517	413
Management fee	750	1,500	-	-
Rental of premises	2,651	1,789	-	-

20. OPERATING (LOSS)/PROFIT (Continued)

Operating loss for the financial year has been arrived at: (Continued)

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
And crediting:				
Interest income	116	157	61	10
Gain on disposal of:				
- a subsidiary	-	15	-	-
Reversal of impairment loss:				
- property and equipment	3,075	2,449	-	-
- trade receivables	953	1,202	-	-
Rental income on property	1,288	2,199	-	-

21. FINANCE COSTS

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Interest expense:				
- term loans	429	512	-	-

22. TAXATION

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Income tax				
- current year	2	8	-	-
- prior year	-	2	-	-
	2	10	-	-
Deferred tax				
- current year	-	-	-	-
- prior year	-	-	-	-
	-	-	-	-
	2	10	-	-

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

22. TAXATION (Continued)

The reconciliation of income tax expense applicable to loss before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Loss before taxation	(28,699)	(28,701)	(3,476)	(24,888)
Taxation at the applicable tax rate of 24% (2016: 24%)	(6,888)	(6,888)	(834)	(5,973)
Tax effects arising from:				
- non-deductible expenses	2,169	3,409	849	5,981
- non-taxable income	(15)	(661)	(15)	(8)
- under accrual in prior year	2	2	-	-
- deferred tax assets not recognised	4,734	4,148	-	-
Tax expense	2	10	-	-

23. LOSS PER ORDINARY SHARE

The calculation of basic loss per ordinary share for the financial year ended 31 December 2017 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2017 RM'000	2016 RM'000
Group		
Loss for the year attributable to owners of the Company	(28,701)	(28,685)
	2017 '000	2016 '000
Weighted average number of ordinary shares	419,560	376,076
	2017 Sen	2016 Sen
Basic loss per ordinary share	(6.84)	(7.63)

The diluted loss per share is equal to the basic loss per share for the financial year 2017 and financial year 2016 as there are no dilutive potential ordinary shares in issue.

24. COMMITMENTS

	Group 2017 RM'000	Group 2016 RM'000
Capital commitments:		
Property and equipment contracted but not provided for	26,159	641
Non-cancellable operating lease commitments:		
Future minimum rental payable		
- Not later than 1 year	13,863	1,714
- More than 1 year and not later than 5 years	38,506	6,594
- More than 5 years	108,470	6,530
	160,839	14,838

The above operating lease is in respect of lease of properties for the Group's campus and hostels for periods of 3 years to 25 years and the lease is renewable upon expiry. The leases do not include any contingent rentals.

25. MATERIAL LITIGATIONS

(a) In October 2006, ASIAMET (M) Sdn. Bhd. ("AMSB"), the wholly owned subsidiary of the Company, entered into a sale and purchase agreement ("SPA") with the original developer i.e. Kemacahaya Development Sdn. Bhd. ("KDSB") and proprietor i.e. Syarikat Kemacahaya Sdn. Bhd. ("SKSB"), to purchase 6 properties at Jalan Kemacahaya 11, Taman Kemacahaya, Batu 9, 43200 Cheras, Selangor ("Six Properties").

Three other parties namely Pasupathy A/L Kanagasaby ("Pasupathy"), Chin Yam Meng ("CYM") and Leng Kok Onn ("LKO") also claimed to be the lawful owners of the Six Properties.

25. **MATERIAL LITIGATIONS (Continued)**

(a) Pursuant to the suit filed by AMSB, in May 2008, KDSB, SKSB and AMSB agreed to enter into settlement agreement whereby, AMSB would pay RM2,800,000 for the Six Properties. Consent judgement was recorded on 14 July 2009 wherein KDSB and SKSB confirmed that AMSB was the beneficial and legal owner of the Six Properties. This consent judgement, however, is contested by Pasupathy.

Consequent thereto, from 2009 to 2010, AMSB and Pasupathy had filed appeals to the Court of Appeal on various rounds, which were heard simultaneously on 7 January 2014. The Court of Appeal in hearing and disposing of the said appeals ordered the consolidation of 2 related matters and ordered a fresh trial to be held at the High Court.

The High Court had on the 4 September 2015 decided in the AMSB's favour by declaring inter alia, that the AMSB is the beneficial owner of the Six Properties.

Subsequent to that decision, Pasupathy had filed the following:

(i) Notice of Appeal dated 21 September 2015 was filed to the Court of Appeal against the decision made by the High Court on 4 September 2015 and

(ii) Notice of Application dated 7 October 2015 was filed in Court for stay of execution of the Judgement dated 4 September 2015.

Further, on the 16 October 2015, the High Court had ordered costs of RM200,000 to be paid by Pasupathy to AMSB. Pasupathy then filed in his Notice of Appeal dated 16 November 2015 to the Court of Appeal to appeal against the High Court's decision dated 16 October 2015.

On 2 February 2017, the Court of Appeal heard both parties and had decided as follows:

(i) On Pasupathy's Notice of Appeal dated 21 September 2015 where:

(a) Pasupathy had appealed against the High Court's decision in allowing AMSB's claim (for inter alia a declaration that Pasupathy is the beneficial owner of, and that Pasupathy has caveatable interest on the subject properties) was allowed by the Court of Appeal;

(b) Pasupathy had appealed against the High Court's decision in dismissing Pasupathy's claim (for inter alia ownership of the subject properties) was dismissed by the Court of Appeal;

(c) Pasupathy had appealed against the High Court's decision in dismissing Pasupathy's counterclaim (for vacant possession of the subject properties and injunction to restrain AMSB from occupying the subject properties) was dismissed by the Court of Appeal; and

(d) Pasupathy had appealed against the High Court's decision in allowing AMSB's counterclaim (setting aside Pasupathy's caveat on the subject properties) was dismissed by the Court of Appeal.

(ii) On Pasupathy's Notice of Application dated 7 October 2015 where:

Pasupathy had appealed against the costs ordered by the High Court was allowed by the Court of Appeal.

25. **MATERIAL LITIGATIONS (Continued)**

(a) On 1 March 2017, Pasupathy has served on AMSB an unsealed copy of a Notice of Motion for leave to appeal against part of the Court of Appeal's decision dated 2 February 2017.

On 2 March 2017, AMSB filed Notice of Motion for leave to appeal to the Federal Court against part of the decision dated 2 February 2017.

On 18 May 2017, the Federal Court dismissed both AMSB's and Pasupathy's leave application with no order as to costs, leaving both parties in the same position as below:

(i) Pasupathy does not have a valid claim for ownership of the subject properties;

(ii) In respect of AMSB's claim for ownership of the subject properties, the Court of Appeal did not make any finding on the merits either way;

(iii) The issue of AMBS's claim for ownership of the subject properties is a live issue between AMSB on the one part, and SKSB and KDSB on the other part;

(iv) AMSB may demand that SKSB transfers the ownership of the subject properties to AMSB, failing which AMSB may file a fresh claim against SKSB and KDSB.

On 29 May 2017, AMSB's solicitor issued a Notice of demand to Pasupathy's solicitor to withdraw the private caveat lodged by Pasupathy. There were no response from Pasupathy's solicitor as of the date of authorisation of the financial statements.

On 31 May 2017, AMSB's solicitor also issued a Notice of Demand to Pasupathy's solicitor for costs arising from the consolidated suits, pursuant to the respective High Court and Court of Appeal orders. Pasupathy's solicitor had yet to revert with any response to these demands which were made as of the date of authorisation of the financial statements.

26. RELATED PARTY DISCLOSURES

(a) Identification of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company 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 significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. Key management personnel includes all the directors of the Group, and certain members of senior management of the Group.

The Group and the Company have related party relationships with its substantial corporate shareholders and their subsidiaries, subsidiaries and key management personnel.

(b) Significant related party transactions and balances

Set out below are significant related party transactions during the financial year (in addition to related party disclosures mentioned elsewhere in the financial statements).

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Transactions with:				
Corporate shareholder				
Management fee paid	750	1,500	-	-

(c) Key Management Personnel Compensation

The details of directors' remuneration during the financial year are as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Directors				
- fees	327	332	216	216
- allowance	129	132	14	16
	456	464	230	232
Key Management Personnel				
- remuneration	626	801	278	363

27. OPERATING SEGMENTS

The Group has four reportable segments, as described below, which are the Group's strategic business units.

For each of the strategic business unit the Group Executive Director (the chief operating decision maker) reviews internal management reports on a regular basis. Information regarding the results of each reportable segment is included below. The internal management reports reviewed by the Group Executive Director, are prepared based on profit or loss of geographical areas and not based on services.

Operating results of the reportable segments are independently evaluated for performance measurement and resource allocation decisions. Segment performance is evaluated based on operating profit or loss which is similar to the accounting profit or loss as included in the internal management reports reviewed by the Group Executive Director.

Segment revenue and expenses are the operating revenue and expenses reported in the Group's consolidated statement of profit or loss and other comprehensive income that are directly attributable to a reportable segment and the relevant portion of such revenue and expenses that can be allocated on a reasonable basis to the reportable segment. The internal management reports reviewed by the Group Executive Director do not include segment assets and liabilities.

27. OPERATING SEGMENTS (Continued)

	Cheras RM'000	Kota Kinabalu RM'000	Kuching RM'000	Johor RM'000	Total RM'000
Group					
2017					
Segment loss	(22,338)	(221)	(470)	(2,504)	(25,533)
Included in the measure of segment loss are:					
Revenue from external customers	6,362	4,017	3,229	4,525	18,133
Reversal/(Impairment loss) of:					
- property and equipment	(189)	-	-	-	(189)
- trade receivables	667	54	57		778
Interest expense	(429)	-	-	-	(429)
Interest income	45	-	-	-	45
Depreciation of:					
- property and equipment	(5,191)	(24)	(19)	(63)	(5,297)
- investment property	(1,828)	-	-	-	(1,828)

27. OPERATING SEGMENTS (Continued)

	Cheras RM'000	Kota Kinabalu RM'000	Kuching RM'000	Johor RM'000	Total RM'000
Group					
2016					
Segment loss	(19,205)	(5,747)	(970)	(1,376)	(27,298)
Included in the measure of segment loss are:					
Revenue from external customers	7,949	3,308	3,325	5,877	20,459
Reversal/(Impairment loss) of:					
- property and equipment	(1)	(959)	15	-	(945)
- trade receivables	577	274	676	(1,339)	188
Interest expense	(512)	-	-	-	(512)
Interest income	147	-	-	-	147
Depreciation of:					
- property and equipment	(8,566)	(3,569)	(11)	(55)	(12,201)
- investment property	(2,085)	-	-	-	(2,085)

27. **OPERATING SEGMENTS (Continued)**

Reconciliations of reportable segment revenues, profit or loss, assets and other material items.

	Revenue from External Customers RM'000	Impairment Loss of Property and Equipment RM'000	Impairment Loss of Trade Receivables RM'000	Interest Expense RM'000	Interest Income RM'000	Depreciation of Property and Equipment RM'000	Depreciation of Investment Property RM'000	Profit or Loss RM'000
Group								
2017								
Total reportable segments	18,133	(189)	778	(429)	45	(5,297)	(1,828)	(25,533)
Other non-reportable segments	1,644	-	-	-	71	(40)	-	(4,216)
Elimination of inter-segment transactions or balance	-	-	-	-	-	-	-	1,048
Consolidated total	19,777	(189)	778	(429)	116	(5,337)	(1,828)	(28,701)
2016								
Total reportable segments	20,459	(945)	188	(512)	147	(12,201)	(2,085)	(27,298)
Other non-reportable segments	2,160	-	-	-	10	(43)	-	(24,482)
Elimination of inter-segment transactions or balance	-	-	-	-	-	-	-	23,069
Consolidated total	22,619	(945)	188	(512)	157	(12,244)	(2,085)	(28,711)

28. FINANCIAL INSTRUMENTS

(a) **Classification of Financial Instruments**

The table below provides an analysis of financial instruments categorised as follows:

	Loans and receivables RM'000	**Financial liabilities at amortised cost** RM'000	**Total** RM'000
Group			
2017			
Financial assets			
Trade and other receivables *	43,469	-	43,469
Cash and cash equivalents	3,079	-	3,079
	46,548	-	46,548
Financial liabilities			
Borrowings	-	4,478	4,478
Trade and other payables #	-	37,056	37,056
	-	41,534	41,534
2016			
Financial assets			
Trade and other receivables *	10,131	-	10,131
Cash and cash equivalents	5,886	-	5,886
	16,017	-	16,017
Financial liabilities			
Borrowings	-	9,006	9,006
Trade and other payables #	-	7,085	7,085
	-	16,091	16,091
Company			
2017			
Financial assets			
Trade and other receivables *	1,590	-	1,590
Cash and bank balances	180	-	180
	1,770	-	1,770
Financial liabilities			
Trade and other payables #	-	957	957

28. **FINANCIAL INSTRUMENTS (Continued)**

(a) **Classification of Financial Instruments (Continued)**

	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company			
2016			
Financial assets			
Trade and other receivables *	-	-	-
Cash and bank balances	235	-	235
	235	-	235
Financial liabilities			
Trade and other payables #	-	435	435

* *Exclude prepayments and GST refundable.*
\# *Exclude deferred income and GST payable*

(b) **Fair values**

(i) *Determination of Fair Value*

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short-term borrowings, are reasonable approximation of fair value due to the relatively short-term nature of these financial instruments.

In respect of the long-term borrowings with variable interest rates, the carrying amounts approximate fair values as they are repriced to market interest rates for liabilities with similar risk profiles.

(ii) *Fair Value Hierarchy*

The Group classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

28. FINANCIAL INSTRUMENTS (Continued)

(b) Fair values (Continued)

(ii) *Fair Value Hierarchy* (Continued)

	Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000	RM'000
Group						
2017						
Financial liabilities						
Term loans (Islamic)	-	-	2,087	2,087	2,087	2,087
Hire purchase payables	-	-	29	29	29	29
	-	-	2,116	2,116	2,116	2,116
2016						
Financial liabilities						
Term loans (Islamic)	-	-	7,006	7,006	7,006	7,006

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management objective seeks to ensure that adequate financial resources are available for the development of the Group's business whilst managing its financial risks. The Board reviews and adopts policies for managing the financial risks and the Group's policy is not to engage in speculative transactions. Financial risk management is carried out through risk review management programmes, internal control system, insurance programmes and adherence to the Group's financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

(a) Credit Risk

Credit risk is the risk of a financial loss to the Group if an educational sponsor, student or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from students under Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN"), Majlis Amanah Rakyat ("MARA"), other educational sponsors and self-sponsored students.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Evaluations of students are performed by PTPTN or other educational sponsors before courses are offered to the students.

29. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)**

(a) **Credit Risk (Continued)**

Credit risk concentration profile

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at the realisable values. Any receivables due from students who have quit, terminated, rejected and withdrawn from their courses are deemed to have higher credit risk and are monitored individually.

(b) **Liquidity Risk**

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

Maturity analysis

The maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows at the reporting date are as follows:

	Carrying Amount RM'000	Contractual Cash Flow RM'000	On Demand or Within 1 Year RM'000	1 to 5 Years RM'000	More than 5 Years RM'000
Group					
2017					
Financial liabilities					
Term loans (Islamic)	4,393	9,224	2,306	6,918	-
Hire purchase payables	85	88	53	35	-
Trade and other payables	37,056	37,056	37,056	-	-
	41,534	46,368	39,415	6,953	-
2016					
Financial liabilities					
Term loans (Islamic)	9,006	10,021	2,417	7,251	353
Trade and other payables	7,085	7,085	7,085	-	-
	16,091	17,106	9,502	7,251	353

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest Rate Risk

The Group's and the Company's exposure to changes in interest rate relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Group on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

The following tables set out the carrying amounts, the contractual interest rates as at the reporting date and the remaining maturities of the Group's financial instruments that are exposed to interest rate risk:

	Contractual Interest Rate %	**Within 1 year** RM'000	**2 to 5 years** RM'000	**Total** RM'000
Group				
2017				
Fixed rate				
Financial assets				
Deposits placed with licensed bank	2.95%	363	-	363
Floating rate				
Financial liabilities				
Term loans (Islamic)	5.20%	2,306	2,087	4,393
Hire purchase payables	4.75% - 5.13%	56	29	85
2016				
Fixed rate				
Financial assets				
Deposits placed with licensed bank	2.70% - 3.20%	2,199	-	2,199
Floating rate				
Financial liabilities				
Term loans (Islamic)	5.15%	2,000	7,006	9,006

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) **Interest Rate Risk (Continued)**

Sensitivity analysis for interest rate risk

A change of 1% in interest rates at the end of the reporting period would have increased/(decreased) profit or loss net of tax by the amounts shown below. This analysis assumes that all other variables remained constant.

	← 1% Increase →		← 1% Decrease →	
	2017 RM'000	2016 RM'000	2017 RM'000	2016 RM'000
Floating rate instruments	(34)	(68)	34	68

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements, if any.

The debt-to-equity ratios as at 31 December 2017 and as at 31 December 2016 were as follows:

	Group		Company	
	2017 RM'000	2016 RM'000	2017 RM	2016 RM
Total borrowings (Note 17)	4,478	9,006	-	-
Less: Cash and bank balances (Note 12)	(3,079)	(5,886)	(180)	(235)
Net debt	1,399	3,120	(180)	(235)
Total equity attibutable to the Owners of the Company	245,990	115,207	383,415	227,407
Capital and net debts	247,389	118,327	383,235	227,172
Gearing ratio	0.01	0.03	*	*

* Not meaningful

There were no changes in the Group's approach to capital management during the financial year.

The Group and the Company do not have any externally imposed capital requirement.

31. SIGNIFICANT EVENTS

(a) On 5 December 2016, the Company entered into a conditional share sale agreement ("SSA") with SMRT Holdings Berhad ("SMRT") and SMR Education Sdn. Bhd. ("SESB") for the proposed acquisition of 20,000,000 ordinary shares of RM1.00 each in CUCMS Education Sdn. Bhd. ("CESB") from SMRT and SESB for an aggregate purchase consideration of RM166.0 million ("Proposed Acquisition"). The purchase consideration will be satisfied by the issuance of 830,000,000 new ordinary shares of RM0.20 each ("Consideration Shares") in the Company at an issue price of RM0.20 per share.

After the completion of the Proposed Acquisition, the Company will re-brand and re-position itself via the following:

(i) A share exchange of the enlarged number of issued shares of the Company for new ordinary shares in Minda Global Berhad ("Minda Global") on the basis of one share in Minda Global for every one share held in the Company ("Proposed Share Exchange").

(ii) An internal reorganisation ("Internal Reorganisation") which entails the disposal of:

(a) CESB
(b) Valencia Education Group Sdn. Bhd.
(c) Asiamet (KB) Sdn. Bhd.
(d) Asiamet (Kuching) Sdn. Bhd.
(e) Asiamet (KK) Sdn. Bhd.

to Minda Global which will facilitate to establish a new corporate structure for the Minda Global group with SMRT at the helm.

Minda Global will assume the listing status of the Company, with the listing and quotation of the total number of issued shares of Minda Global on the Main Market of Bursa Securities ("Proposed Transfer of Listing").

On 27 December 2016, the Company entered into a composite agreement with Minda Global which sets out the agreed process for the implementation of the Proposed Share Exchange, Internal Reorganisation and Proposed Transfer of Listing ("Composite Agreement").

On 21 April 2017, the Company entered into a supplemental agreement with SMRT and SESB to amend and vary the SSA entered on 5 December 2016.

On 31 May 2017, the Company entered into a supplemental composite agreement with Minda Global to amend and vary the Composite Agreement.

On 9 June 2017, Bursa Securities has, vide its letter dated 8 June 2017, approved the listing and quotation of the Consideration Shares on the Main Market of Bursa Securities.

On 19 June 2017, the Company and Minda Global had by way of an exchange of letter dated 19 June 2017, extended the cut-off date of the Composite Agreement from 31 May 2017 to 30 August 2017 as well as clarified that the basis of transfer for the Designated Investments shall be RM1.00 in the event such Designated Investments is at a net liability position on the last day of the preceding month of the completion of the disposal of the Designated Investments. The Company, SMRT and SESB also had by way of an exchange of letter dated 19 June 2017, extended the cut-off date of the SSA from 31 May 2017 to 30 August 2017.

31. **SIGNIFICANT EVENTS (Continued)**

(a) On 8 August 2017, the Company and Minda Global had by way of an exchange of letter dated 8 August 2017, extended the cut-off date of the Composite Agreement from 30 August 2017 to 30 November 2017. The Company, SMRT and SESB also had by way of an exchange of letter dated 8 August 2017, extended further the cut-off date of the SSA from 30 August 2017 to 30 November 2017.

On 30 November 2017, the Company and Minda Global had by way of an exchange of letter dated 30 November 2017, extended the cut-off date of the Composite Agreement from 30 November 2017 to 31 March 2018. The Company, SMRT and SESB also had by way of an exchange of letter dated 8 August 2017, extended further the cut-off date of the SSA from 30 November 2017 to 31 December 2017.

On 27 December 2017, the Proposed Acquisition was completed.

(b) On 11 August 2017, Asiamet (M) Sdn. Bhd. entered into a Sale and Purchase Agreement with Universiti Teknologi MARA for the disposal of 11 units of shop or office lots for a cash consideration of RM10,200,000.

32. **SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

(a) On 14 February 2018, the Proposed Share Exchange was completed. Consequently, the Company became a wholly-owned subsidiary of Minda Global.

(b) On 19 February 2018, the Proposed Transfer of Listing was completed. Consequently, the Company was delisted from the Official List of Bursa Malaysia Securities Berhad.

(c) CUCMS Education Sdn. Bhd. ("CESB"), a wholly-owned subsidiary of the Company on 20 April 2018 has established an Islamic Medium Term Note Programme ("IMTN Programme) and the issuance of the Sukuk Wakalah of RM150,000,000 under the IMTN Programme for which Asiamet (M) Sdn. Bhd., a wholly-owned subsidiary of the Company has undertaken to provide a third party first legal charge in favour of Amanahraya Trustees Berhad (the Security Trustee to the IMTN Programme) over certain properties of the Group. The Company also has undertaken to channel any profit guarantee shortfall received pursuant to the Share Sale Agreement entered into on 5 December 2016 between SMRT Holdings Berhad, SMR Education Sdn. Bhd. and the Company to the CESB in the event if there is a shortfall in the minimum required balance under the IMTN. The amount to be channeled shall be equivalent to the shortfall amount in the minimum required balance and which shall not exceed the profit guarantee shortfall.

Company No. 746920 – M

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
Pursuant to Section 251(2) of the Companies Act 2016

We, **GENERAL TAN SRI DATO' SERI MOHD SHAHROM BIN DATO' HJ. NORDIN (RTD)** and **SUBRAMANIAN A/L AMAMALAY**, being two of the directors of ASIAMET Education Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 6 to 78 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and of their financial performance and cash flows for the financial year then ended.

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

....
GENERAL TAN SRI DATO' SERI
MOHD SHAHROM BIN DATO'
HJ. NORDIN (RTD)
Director

....
SUBRAMANIAN A/L AMAMALAY
Director

Date: 26 April 2018

Company No. 746920 – M

ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
Pursuant to Section 251(1) of the Companies Act 2016

I, **SUBRAMANIAN A/L AMAMALAY**, being the director primarily responsible for the financial management of ASIAMET Education Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 6 to 78 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

....
SUBRAMANIAN A/L AMAMALAY

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 26 April 2018.

Before me,

PESURUHJAYA SUMPAH
No. W607
Nama: GURDEEP SINGH
A/L JAG SINGH
MALAYSIA

....
Commissioner for Oaths

5B, JALAN RAKYAT
(JALAN TRAVERS)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ASIAMET Education Group Berhad, which comprise the statements of financial position as at 31 December 2017 of the Group and of the Company, and the statements of profit or loss and comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 78.

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 cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
(Incorporated in Malaysia)

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.

Property and equipment (Note 4(i) and 5 to the financial statements)
Investment in subsidiaries (Note 4(iii) and 8 to the financial statements)

The Group has significant balances of property and equipment and investment in subsidiaries with recent operating losses and are vacant properties.

We focused on this area because judgement is required in determining factors which may indicate that the property and equipment and investment in subsidiaries are impaired. In addition, significant judgements and estimates are involved in determining the recoverable amount of the assets. The Group estimated the recoverable amount of the properties based on the market valuation performed by external independent valuer which requires significant judgement in determining the appropriate valuation methods and key assumptions. The recoverable amount of operating assets was determined based on value-in-use which involves exercise of significant judgement and estimate on the assumptions.

Our response:

Our audit procedures included, among others:

- assessing the Group's bases which were used in identifying indications of impairment and in determining the recoverable amount of the assets;
- comparing the actual results with previous budget to assess the performance of the business and reliability of the forecasting process;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness;
- testing the mathematical accuracy of the impairment assessment; and
- reading valuation reports and discussing with the independent valuer on their valuation approach.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
(Incorporated in Malaysia)

Key Audit Matters (Continued)

Goodwill (Note 4(ii) and 7 to the financial statements)

The Group has significant balance of goodwill arising from the acquisition of CUCMS Education Sdn. Bhd. The goodwill is tested for impairment annually. We focused on this area because this assessment requires significant judgement by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flow projections.

Our response:

Our audit procedures included, among others:

- assessing the valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 *Impairment of Assets*;
- comparing the Group's assumptions to our assessments in relation to key assumptions to assess their reasonableness;
- testing the mathematical accuracy of the impairment assessment; and
- performing a sensitivity analysis around the key assumptions that are expected to be most sensitive to the recoverable amount.

Business combination (Note 4(iv) and 8 to the financial statements)

During the financial year ended 31 December 2017, the Group acquired the entire issued and paid up share capital of CUCMS Education Sdn. Bhd. ("CESB"). We focused on this area due to the following factors:

- judgement is involved in determining the accounting treatment of the acquisition in accordance to MFRS 3 *Business Combinations*; and
- in accounting for the acquisition of CESB under MFRS 3, the directors have to apply judgement on purchase price allocation in relation to the valuation of the assets acquired, liabilities assumed and the purchase consideration.

Our response:

Our audit procedures included, among others:

- reading the share sale agreement and evaluating the assessment performed by the Company in accounting for the acquisition of CESB in accordance to MFRS 3;
- assessing the appropriateness of the provisional fair value of purchase consideration, identifiable assets acquired and the liabilities assumed at the acquisition date as performed by the Company;
- testing the mathematical computation in the allocation of the purchase consideration to the different assets and liabilities; and
- assessing the appropriateness of the related disclosures.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
(Incorporated in Malaysia)

Key Audit Matters (Continued)

Trade receivables (Note 4(v) and 11 to the financial statements)

We focused on this area because the Group made judgements over events or changes in circumstances indicating that trade receivables are impaired and on the estimation of the impairment amount in accordance with the accounting policy of the Group.

Our response:

Our audit procedures included, among others:

- understanding the design and implementation of controls associated with monitoring and impairment assessment of trade receivables that were either in default or significantly overdue;
- understanding of significant credit exposures which were significantly overdue or deemed to be in default through analysis of ageing reports; and
- reviewing receipts subsequent to the end of the financial year.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
(Incorporated in Malaysia)

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

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

- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASIAMET EDUCATION GROUP BERHAD (Continued)
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Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng
No. AF 0117
Chartered Accountants

Lee Kong Weng
No. 02967/07/2019 J
Chartered Accountant

Kuala Lumpur

Date: 26 April 2018