

# AMTEL



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ANNUAL REPORT **2020**

Amtel Holdings Berhad  
199601037096 (409449-A)

# TABLE OF CONTENTS

<b>02</b>	Notice of the Twenty-Fourth Annual General Meeting	<b>34</b>	Sustainability Statement
<b>07</b>	Statement Accompanying Notice of Annual General Meeting	<b>41</b>	Additional Compliance Information
<b>08</b>	Corporate Information	<b>42</b>	Audit Committee Report
<b>09</b>	Corporate Structure	<b>46</b>	Statement on Risk Management and Internal Control
<b>10</b>	Profile of Directors	<b>49</b>	Directors' Responsibility Statement In Respect of The Preparation of The Audited Financial Statements
<b>13</b>	Profile of Key Senior Management	<b>50</b>	Reports and Financial Statements
<b>15</b>	Group Financial Highlight	<b>143</b>	List of Properties
<b>16</b>	Chairman's Statement and Management Discussion and Analysis	<b>144</b>	Analysis of Shareholdings
<b>20</b>	Corporate Governance Overview Statement		Proxy Form

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Fourth Annual General Meeting ("24th AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be conducted fully virtual from the Broadcast Venue at AHB Group Office, Boardroom, No.7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 5 May 2021 at 11.00 a.m. for the purpose of transacting the following businesses:

### **AS ORDINARY BUSINESS**

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 November 2020 together with the Reports of the Directors and Auditors thereon.                     | (Please refer to Explanatory Note 1 on Ordinary Business) |
| 2. | To approve the payment of Directors' fees amounting to RM330,000 for the financial year ending 30 November 2021.   | (Ordinary Resolution 1)                                   |
| 3. | To approve the payment of Directors' benefits and other claimable benefits incurred from 5 May 2021 until the conclusion of the Company's next Annual General Meeting ("AGM"). | (Ordinary Resolution 2)                                   |
| 4. | To re-elect Mr. Siow Hock Lee who retires by rotation in accordance with Clause 165 of the Company's Constitution and who being eligible, offers himself for re-election.      | (Ordinary Resolution 3)                                   |
| 5. | To re-elect Madam Tan Woon Huei who retires by rotation in accordance with Clause 165 of the Company's Constitution and who being eligible, offers herself for re-election.    | (Ordinary Resolution 4)                                   |
| 6. | To re-elect Mr. Lim Hun Teik who retires in accordance with Clause 156 of the Company's Constitution and who being eligible, offers himself for re-election.                   | (Ordinary Resolution 5)                                   |
| 7. | To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.  | (Ordinary Resolution 6)                                   |

### **AS SPECIAL BUSINESS**

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

- |    |  |                         |
|----|--|-------------------------|
| 8. | <b>Retention of Independent Non-Executive Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017</b> | (Ordinary Resolution 7) |
|----|--|-------------------------|

**"THAT** Mr. Siow Hock Lee, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company."

NOTICE OF THE  
TWENTY-FOURTH ANNUAL GENERAL MEETING

[CONTINUED]

9. **Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016** (Ordinary Resolution 8)

**“THAT** subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this resolution does not exceed twenty percent (20%) of the total number of issued shares of the Company for the time being, such authority to be utilised by 31 December 2021 (“Extended Utilisation Period”) as empowered by Bursa Securities pursuant to its letter dated 16 April 2020 to grant additional temporary relief measures to listed issuers and thereafter ten percent (10%) of the total number of issued shares of the Company for the time being as stipulated under Paragraph 6.03(1) of the Bursa Securities Main Market Listing Requirements (hereinafter referred to as the “General Mandate”);

**THAT** the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so be issued pursuant to the General Mandate on Bursa Securities;

**AND THAT** such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

10. **Proposed Renewal of Authority for Share Buy-Back** (Ordinary Resolution 9)

**“THAT** subject to the Act, the provisions of the Constitution of the Company, Main Market Listing Requirements (“MMLR”) of Bursa Securities and other relevant governmental and/or regulatory authorities, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such amount of ordinary shares in the Company (“Proposed Share Buy-Back”) as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as at the point of purchase and that an amount not exceeding the Company’s retained profits at the time of the purchase(s) will be allocated by the Company for the Proposed Share Buy-Back;

**THAT** the authority conferred by this resolution will be effective immediately and shall continue in force until:

- (a) the conclusion of the annual general meeting of the Company following the general meeting at which such resolution was passed at which time it shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

[CONTINUED]

- (b) the expiration of the period within which the next annual general meeting after that date is required by law to be held; or
- (c) revoked or varied by ordinary resolution passed by shareholders in a general meeting.

whichever occurs first;

**AND THAT** authority be and is hereby given unconditionally and generally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991, and the entering into of all other agreements, arrangements and guarantee with any party or parties) to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with the fullest power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the repurchased shares) in accordance with the Act, the provisions of the Constitution of the Company and the requirements and/or guidelines of the Bursa Securities and all other relevant governmental and/or regulatory authorities and to do all such things as the said Directors may deem fit and expedient in the best interest of the Company."

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

By Order of the Board

TEE LEE LENG (MAICSA 7044742) SSM Practicing Certificate No.: 202008001301

HOH YIT FOONG (LS 0018) SSM Practicing Certificate No.: 201908000074

Company Secretaries

Selangor Darul Ehsan

30 March 2021

**Notes:**

1. As part of the initiatives to curb the spread of COVID-19, the AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.
2. The Broadcast Venue, which is the main venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 require the Chairman to be present at the main venue of the AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the AGM.

As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to [eservices@sshsb.com.my](mailto:eservices@sshsb.com.my) during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.

3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 27 April 2021 shall be entitled to participate and vote at this meeting.

NOTICE OF THE  
TWENTY-FOURTH ANNUAL GENERAL MEETING

[CONTINUED]

**Notes (Continued)**

4. *A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same AGM, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.*
5. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshsb.net.my/login.aspx> not later than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the AGM should you subsequently decide to do so.*
7. *The AGM will be conducted virtually through live streaming from the Broadcast Venue, members are advised to refer to the Administrative Guide on the registration and voting process for the AGM.*

**EXPLANATORY NOTES ON ORDINARY BUSINESS:**

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

2. Ordinary Resolution 1

The Ordinary Resolution 1 is proposed to obtain an approval in advance of their entitlement and that the existing Directors may be paid in the course of the financial year.

3. Ordinary Resolution 2

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

- (a) Meeting attendance allowances (per day) (for Executive Directors and Non-Executive Directors) is RM400.00
- (b) Other benefits (for Non-Executive Directors only)
  - Other claimable benefits

If the proposed Ordinary Resolution 2 is passed by the shareholders at the 24th AGM, payment of benefits incurred by the Directors from 5 May 2021 until the Company's next AGM will be paid by the Company, as and when incurred.

4. Details of the Directors standing for re-election under Ordinary Resolutions 3, 4 and 5 are stated in the Profile of Directors on pages 11 and 12 of the Annual Report 2020. Their securities holdings in the Company are stated on page 144 of the Annual Report 2020.

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

[CONTINUED]

### EXPLANATORY NOTES ON SPECIAL BUSINESS:

#### 1. Ordinary Resolution 7 – Retention of Independent Non-Executive Director pursuant to Practice 4.2 of the Malaysian Code on Corporate Governance 2017

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

##### Ordinary Resolution 7: Mr. Siow Hock Lee

- (a) He has confirmed and declared that he is an Independent Director as defined in the MMLR of Bursa Securities;
- (b) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
- (c) He has thorough understanding of the business of the Group and could provide the Board valuable and insightful advice;
- (d) He has actively participated in Board deliberation and decision making in an objective manner; and
- (e) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the Management.

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

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

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

The proposed Ordinary Resolution 8 is intended to renew the authority granted to the Directors of the Company at the Postponed Twenty-Third Annual General Meeting of the Company held on 15 July 2020 ("Previous Mandate") to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of shares issued does not exceed 20% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "20% General Mandate").

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company from date of this Twenty-Fourth AGM until 31 December 2021, to allot and issue new shares of the Company up to and not exceeding in total twenty (20%) of the total number of issued shares of the Company, provided that the following are being complied with:

- (a) procure shareholders' approval for the 20% General Mandate at the Twenty-Fourth AGM; and
- (b) complies with all relevant applicable legal requirements, including the Constitution or relevant constituent document.

The Directors are of the opinion that this 20% General Mandate is in the best interests of the Company and its shareholders. This 20% General Mandate, if passed, will provide greater flexibility and enable the Directors to make swift decision on allotment of shares for any possible fund raising activities, including but not limited to further placement of shares for purpose of funding future investment project(s), working capital and/or acquisition(s) and any other corporate exercise deem fit for the Company, and avoid delay and cost in convening general meeting to approve such issue of shares.



NOTICE OF THE  
TWENTY-FOURTH ANNUAL GENERAL MEETING  
[CONTINUED]

**EXPLANATORY NOTES ON SPECIAL BUSINESS: (CONTINUED)****2. Ordinary Resolution 8 – Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act (Continued)**

The 20% General Mandate will expire on 31 December 2021. If the Company does not allot any shares from the date of Twenty-Fourth AGM until 31 December 2021, it continues to empower the Directors from 1 January 2022 until the next AGM to allot and issue new shares of the Company up to an aggregate amount not exceeding 10% of the total number of issued shares of the Company.

As at the date of this Notice, 10,839,000 new shares were issued on 19 October 2020, pursuant to the 20% General Mandate granted to the Directors at the Previous Mandate which will lapse at the conclusion of this AGM.

**3. Ordinary Resolution 9 – Proposed Renewal of Authority for Share Buy-Back**

The proposed Ordinary Resolution 9, if passed, will empower the Directors to purchase the Company's shares of up to a maximum of 10% of the total number of issued shares of the Company by utilising the funds allocated out of the retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Please refer to the Statement to Shareholders dated 30 March 2021, which is despatched together with the Company's Abridged Version Annual Report 2020, for further information.

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

- (i) Details of individuals who are standing for election as Directors
  - No individuals are standing for election as Directors (excluding Directors standing for re-election) at the 24th AGM of the Company.
- (ii) Authority for Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act.
  - Kindly refer to item (2) of the Explanatory Notes of Special Business above.



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

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

**Ir. Chew Yook Boo**  
*Independent Non-Executive Director*

**Dato' Koid Hun Kian**  
*Group Managing Director*

**Madam Tan Woon Huei**  
*Non-Independent Non-Executive Director*

**Mr. Lim Hun Teik**  
*Executive Director (Appointed on 7 September 2020)*

### AUDIT COMMITTEE

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

### NOMINATION COMMITTEE

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

### REMUNERATION COMMITTEE

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

### COMPANY SECRETARIES

Ms. Tee Lee Leng (MAICSA 7044742)  
SSM Practicing Certificate No.: 202008001301  
Ms. Hoh Yit Foong (LS 0018)  
SSM Practicing Certificate No.: 201908000074

### AUDITORS

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF0117  
Baker Tilly Tower  
Level 10, Tower 1, Avenue 5  
Bangsar South City  
59200 Kuala Lumpur  
Tel : (603) 2297 1000  
Fax : (603) 2282 9980

### REGISTERED OFFICE

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

### SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd  
(Appointed on 1 February 2021)  
Level 7, Menara Milenium  
Jalan Damanlela, Pusat Bandar Damansara  
Damansara Heights, 50490 Kuala Lumpur  
Tel : (603) 2084 9000  
Fax : (603) 2094 9940

### STOCK EXCHANGE LISTING

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

### WEBSITE

[www.amtel.com.my](http://www.amtel.com.my)

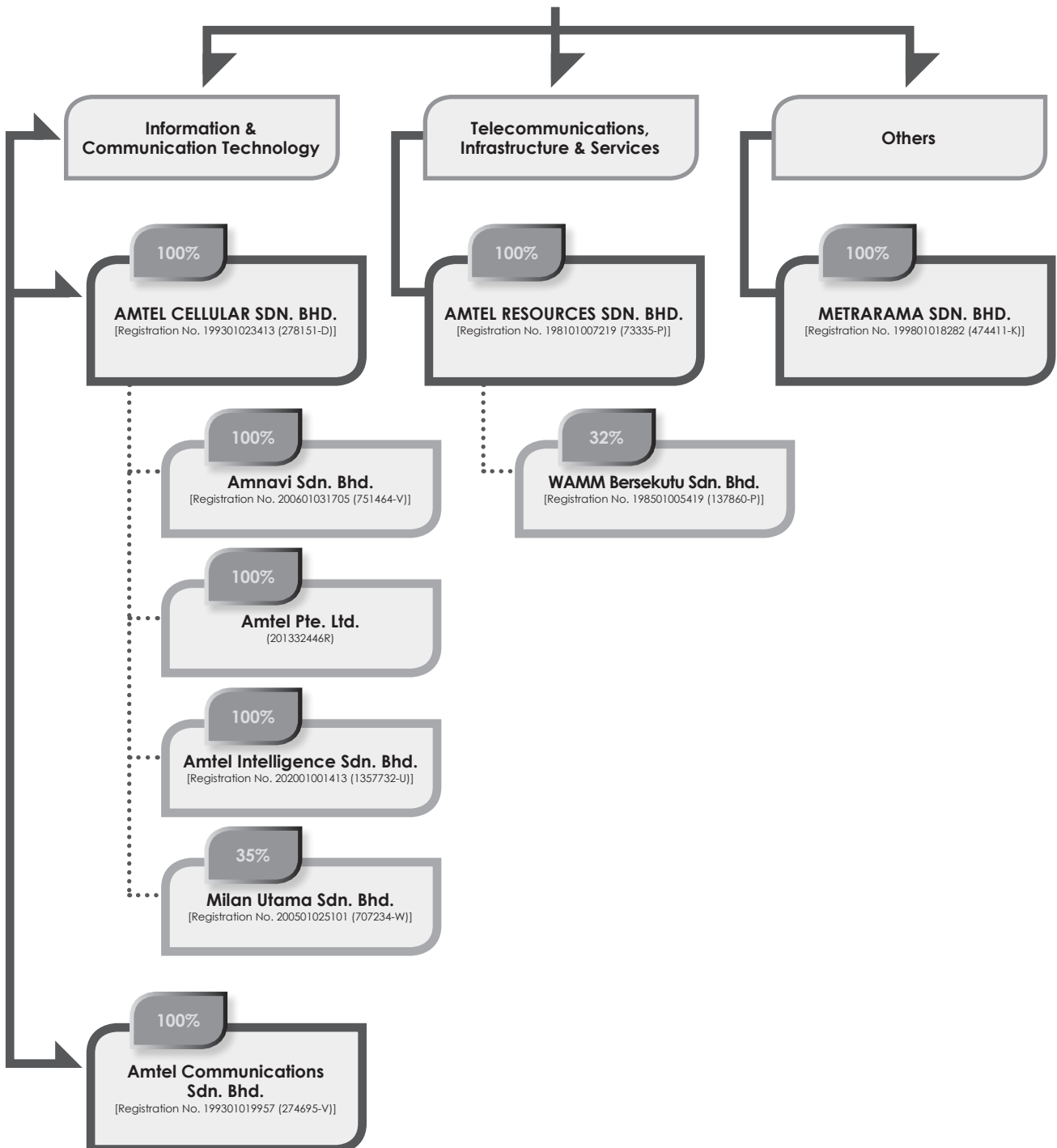
# CORPORATE STRUCTURE



Connecting You To The Future

## AMTEL HOLDINGS BERHAD

[Registration No. 199601037096 (409449-A)]



## PROFILE OF DIRECTORS

### YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN

(Non-Independent Non-Executive Chairman)

**YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin**, a Malaysian aged 67, male, is a Non-Independent Non-Executive Chairman of Amtel Holdings Berhad ("AHB" or "Company"). He was appointed as Independent Non-Executive Chairman of AHB on 27 July 2005. He was first appointed as Independent Non-Executive Director to the Board on 31 July 1997. He is a member of the Audit Committee, Nomination Committee and Remuneration Committee.

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

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

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

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

### DATO' KOID HUN KIAN

(Group Managing Director)

**Dato' Koid Hun Kian**, a Malaysian aged 64, male, is the Group Managing Director of AHB. He was first appointed to the Board on 31 July 1997.

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

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

PROFILE OF  
DIRECTORS

[CONTINUED]

**SIOW HOCK LEE**

(Independent Non-Executive Director)

**Siow Hock Lee**, a Malaysian aged 64, male, is an Independent Non-Executive Director of AHB. He has been a Director of AHB since its incorporation on 9 November 1996. He is the Chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee.

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

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

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

**TAN WOON HUEI**

(Non-Independent Non-Executive Director)

**Tan Woon Huei**, a Malaysian aged 59, female, is a Non-Independent Non-Executive Director of AHB. She was first appointed to the Board on 25 August 2014. She was also the Group General Manager.

She graduated with a Bachelor degree in Business Administration from University of Acadia, Canada in 1983. She joined the Group as a General Manager of Amtel Cellular Sdn. Bhd. ("AMCSB"), a major subsidiary of AHB engaged in the sales and marketing of telematics products in 2000 and became a director of AMCSB in 2002. On 1 June 2019, she resigned as a Director and Group General Manager of AMCSB. Ms. Tan has extensive working experience in marketing and distribution of telecommunications and office automation products. Prior to joining AMCSB, she worked in senior management positions with companies involved in the trading of major brands of cellular handphones and office equipments.

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

PROFILE OF  
DIRECTORS

[CONTINUED]

**IR. CHEW YOOK BOO**

(Independent Non-Executive Director)

**Ir. Chew Yook Boo**, a Malaysian aged 64, male, is an Independent Non-Executive Director of AHB. He was appointed to the Board on 8 February 2017. He is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee.

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

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

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

**LIM HUN TEIK**

(Executive Director)

**Lim Hun Teik**, a Malaysian, aged 52, male, is an Executive Director of AHB. He was recently appointed to the Board on 7 September 2020.

He graduated with a Master Degree in Supply Chain Management from Midwest Missouri University in 2008. He first joined the Group as a Senior Business Development Manager of AMCSB in September 2005 and subsequently, promoted to Assistant General Manager in 2009. Afterwards, he took over the role of General Manager in 2011 before appointed as director of AHB in 2020. His responsibilities in the company includes overseeing company's daily operations, liaising with business partners and customers, providing and implementing company's guidelines, operating policies and procedures to ensure adherence to standards and best practices in the company. He has more than twenty nine (29) years of working experience in quality engineering, project management and business development. Prior to joining AMCSB, he worked for Soarway Enterprise Co., Ltd as a Business Manager.

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

## PROFILE OF KEY SENIOR MANAGEMENT

### KOID SIANG LOONG

(Group Operations Manager)

**Koid Siang Loong**, a Malaysian, aged 32, male, was appointed as the Group Operations Manager of AHB on 1 October 2018.

He graduated with a Master of Engineering in Electrical and Electronic Engineering from Imperial College London, United Kingdom in 2011.

He first joined AMCSB in October 2014 as a Corporate Manager. Subsequently, he was promoted to Assistant General Manager in 2016 and took over the role of Group Operations Manager of AHB in 2018. His responsibilities in the Company includes overseeing the Group's operations and ensuring the effective implementation of the Group's business strategy, plan and policies. Prior to joining AMCSB, he worked in London for Royal Bank of Scotland (RBS) as a Business Analyst. He was also the co-founder of Belongingsfinder.org, a community-based lost and found portal being used to reconnect people with their lost cherished belongings, which won the Social Enterprise award during a Startup Weekend challenge held in Cambridge, United Kingdom in 2011.

He is a substantial shareholder of AHB and the son of Dato' Koid Hun Kian, the Group Managing Director, and a major shareholder of AHB. He is also a director and shareholder of Simfoni Kilat Sdn. Bhd., which is also a substantial shareholder of AHB. Save as disclosed above, he does not have any family relationship with any other directors and/or major shareholders of AHB, nor has he any conflict of interest with AHB. He has not been convicted of any offences other than traffic offences within the past five (5) years and has not been imposed of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

### CHIN WOU CHAU

[Director, Amtel Resources Sdn Bhd ("ARSB")]

**Chin Wou Chau**, a Malaysian aged 70, male, was appointed as a Director of ARSB on 11 February 1999.

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

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

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

## PROFILE OF KEY SENIOR MANAGEMENT

[CONTINUED]

### **CHONG WEI HWA**

(Head - Project, ARSB)

**Chong Wei Hwa**, a Malaysian aged 59, male, was appointed as a Head - Project of ARSB on 1 September 2017.

He graduated with a Diploma in Civil Engineering from Institute Technology Jaya (ITJ), Kuala Lumpur in 1982.

He joined ARSB in September 2015 as a project manager before assuming his current position in 2017. He is responsible for overall project management & project tender/business development. He has more than thirty five (35) years of working experience in engineering industry. Prior to joining ARSB, he was a Head of Engineering Department for PCOM.

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



## GROUP FINANCIAL HIGHLIGHTS

### SUMMARY OF PAST FIVE YEARS

FINANCIAL YEARS ENDED 30 NOVEMBER	2020 RM '000	2019 RM '000	2018 RM '000	2017 RM '000	2016 RM '000
Revenue	56,041	63,170	50,926 *	33,427	47,417
Profit/(Loss) Before Tax Expense	5,583	6,296	1,719 *	(3,202)	1,052
Profit/(Loss) For The Financial Year	4,061	4,828	1,023	(2,971)	453
Total Assets	81,323	65,498	61,532	60,982	67,888
Total Borrowings	629	503	1,623	1,293	663
Shareholders' Equity	61,933	50,024	45,195	42,950	45,902
Net Assets	61,933	50,024	45,195	41,060	44,044
Basic Earnings/(Loss) Per Share (Sen) #	4.88	5.94	1.42 *	(3.93)	0.35
Net Assets Per Share (Sen)	95.23	92.30	83.39	83.32	89.38

\* These are inclusive of continuing and discontinued operations.

# Restrospectively adjusted following the completion of bonus issue of shares on 24 February 2021 as disclosed in Note 41 to the accompanying Audited Financial Statements.

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear valued shareholders,

On behalf of the Board of Directors ("Board"), it is our pleasure to present to you the Annual Report and the Audited Financial Statements of Amtel Holdings Berhad and its subsidiaries ("Group") for the financial year ended 30 November 2020 or FYE 2020 in short.

### BUSINESS AND OPERATIONS OVERVIEW

Our Group is principally involved in two main business segments: Information & Communication Technology ("ICT") and Telecommunications, Infrastructure & Services ("TIS"). The third and lesser segment is investment holding and property investment.

2020 has been one of the most challenging years as the world muddle through an unprecedented and difficult year due to the COVID-19 pandemic. The imposition of lockdown policies in many countries in response to the pandemic has negatively affected many businesses worldwide and slowed down the global economic since early 2020. On the local front, our Malaysian economy experienced the full impact of the pandemic in quarter two ("Q2") 2020, with real GDP contracting by 17.1% following the imposition of the Movement Control Order ("MCO") on 18 March 2020.

Many economic sectors including our ICT and TIS businesses were temporary halted during the MCO period. Our Group began to progressive resume business operations in mid-May 2020 after the movement restrictions loosened up.

Despite the challenges, our Group succeeded in reporting a profit after tax of RM4.06 million for the financial year.

### REVIEW OF FINANCIAL RESULTS AND PERFORMANCE

#### *Financial Performance*

For FYE 2020, our ICT and TIS segments recorded revenue of RM44.23 million and RM11.52 million, representing 79.0% and 20.5% respectively of our Group revenue of RM56.04 million. Our Group revenue this year is less than the RM63.17 million reported in FYE 2019. Net profit attributable to owners of our Company retreated to RM4.06 million from RM4.83 million in FYE 2019.

Total assets of our Group rose to RM81.32 million from RM65.50 million in FYE 2019. Shareholders' funds added RM11.91 million to RM61.93 million from RM50.02 million in the previous financial year, partly aided by the allotment of 10,839,000 new ordinary shares pursuant to the Private Placement exercise that raised gross proceeds of RM7.85 million. As a result of the Private Placement, the number of our issued shares increased to 65,036,066 and our issued and paid up share capital rose from RM32.30 million to RM40.15 million. Our Group net assets value per share improved to 95.23 sen from 92.30 sen the year before.

#### *Liquidity, Capital Investment and Corporate Exercises*

Our Group remains financially sound with low gearing and healthy cash reserve as we continue to record net cashflow from our operating activities. Our cash reserve which comprises mainly cash and cash equivalents, term deposits and fixed income fund, stood solid at RM30.27 million (2019: RM43.87 million). As of FYE 2020, our current assets of RM52.34 million outstripped current liabilities of RM19.16 million, indicating our strong ability to meet short-term obligations as and when they fall due.

We achieved strong net current asset position and solid cash reserve despite having to incur RM19.87 million for the acquisition of our new office/factory building and another RM1.42 million for investment properties. The renovation works for our new building is still in progress and we intend to draw on our internally generated fund for this purpose. Further particulars of our capital commitments are disclosed in Note 38 of the accompanying audited financial statements.

We have managed our financial resources prudently amidst the pandemic. With the completion of the bonus issue of shares and free warrants, we expect our cash position to further strengthen as and when the warrants are exercised.

CHAIRMAN'S STATEMENT AND  
MANAGEMENT DISCUSSION AND ANALYSIS

[CONTINUED]

**REVIEW OF OPERATIONS*****Information & Communication Technology Segment ("ICT")***

The ICT segment remains our core business, accounting for 79.0% of our Group revenue (2019: 85.4%).

The segment revenue of RM44.23 million is 18.1% lower than the RM53.97 million reported in the preceding year. The drop in sales was mainly caused by the temporary disruption in business activities during the MCO in Q2 2020. During the MCO, demand fell drastically following the shutdown albeit temporary, of the automotive manufacturing and assembly activities. Our business operations began to improve after May 2020 when our government allowed certain sectors to operate during the MCO. After since, we were fast to clear most of our backlogs without much interruption. This had led to higher sales in the second half of FYE 2020. Our ICT segment managed to close off the year with a profit after tax of RM4.29 million.

***Telecommunications, Infrastructure and Services Segment ("TIS")***

TIS segment revenue for FYE 2020 was RM11.52 million, 25.2% higher when compared to RM9.20 million in FYE 2019. The revenue came from progress billings on both the completed and on-going civil infrastructure project works. Despite the MCO, our TIS segment was able to achieve a higher revenue and contribute positively to the Group. However, we did not see a corresponding improvement in our profit after tax. In fact, our earnings of RM602,000 was lower than the RM824,000 posted in FYE 2019, mainly due to the continuous erosion of margins from competitive pricing and to certain extent caused by the direct charge out of some RM219,000 refurbishment costs incurred at our new office/factory building.

***Others Segment***

The remaining revenue and profit after tax of our Group came from the investment holdings activities, provisioning of intra-group management services and rental income. The segment posted a lower loss in FYE 2020 as rental income emerged for the first time from the letting of a section of our new four-storey office/factory building. As in the previous years, the loss in FYE 2020 can be attributed to the corporate related expenses and operating overheads incurred by our Company.

**RISKS AND CHALLENGES**

Our ICT and TIS segments face a number of business risks and challenges that may impact our operations and financial performance. We are therefore committed to maintaining a sound system of risk management and internal control to identify, assess and manage these risks. The key challenges and known risks specific to our Group are set out as below.

***Impacts of COVID-19 Pandemic***

It is difficult to gauge the full extent and duration of the impact COVID-19 has on the global and Malaysian economy at this juncture. Any changes in regulations and policies to combat the COVID-19 outbreak can have an impact on our Group's operations. Operation-wise, we have adapted to a "new normal" in work culture to comply with the SOPs introduced by our government. These SOPs are aimed at minimizing the risk of infection among our staffs and ensuring that our business operates at optimum level. Some of the preventive measures implemented by our Group are disclosed in the accompanying Sustainability Statement, as shown on page 39 of this Annual Report.

## CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

[CONTINUED]

### RISKS AND CHALLENGES (CONTINUED)

#### **Market Risk**

The success of our ICT products and services relies heavily on our pricing policy, quality and relevance of our products and services. Competition and customers' demands will continue to be matters of concern to us. We will continue to strengthen our competitive edge through various localization efforts while at the same time, integrating green features and new innovations, such as those related to artificial intelligence (AI), that will improve and expand our product range and services and eventually, broaden our customer base. Over the years, our Group continued to build a strong business relationship with our customers. It is the rapport and trust earned that have resulted in the continuous and repeat orders.

The key market risk identified in our TIS segment continues to be the low pricing strategies adopted by our competitors which have been hurting our margins. Our management team is constantly reviewing, monitoring, and managing the project costs to ensure we remain competitive. We will continue to adopt strategies that will improve our results, such as managing staff expenses and operating costs, close monitoring of project costing and progress, and reviewing contract terms with our suppliers to enjoy lower material prices.

#### **Foreign Currency Exchange Fluctuation and Material Costs**

Our ICT business is partially exposed to foreign currency risk as some component purchases and services are transacted in USD and Renminbi. The depreciation of the Malaysian Ringgit against these currencies will affect our costs which in turn will have an impact on our profit margin. We will regularly monitor the movements in the currencies to minimize any potential negative impact that may arise. To further mitigate the risk, we will continue reviewing our procurement process and work closely with our overseas suppliers to ensure that their pricing, purchase and payment terms are acceptable. On the same note, we will also be sourcing compatible materials from local suppliers of similar quality and standards.

### DIVIDEND

We do not have a formal dividend policy. Distribution of dividends will depend among others, on factors such as financial performance, liquidity and the amount of cash we need to conserve for our future expansion. No cash dividend was proposed or declared in the FYE 2020. Instead, we took the alternative route to reward you as shareholders, by way of a bonus issue of shares, together with free warrants.

### BUSINESS OUTLOOK AND PROSPECTS

Malaysia's economic growth will definitely be affected by the COVID-19 outbreak. However, the extent of the full impact and the duration is still uncertain.

Amidst these challenges, we believe 2021 will be the year for the survival of the fittest. Just recently, we have seen digital transformation roadmaps that normally require a year or even longer compressed into weeks in order to adapt to the new normal. Digital technologies has become the new lifeblood for many businesses going forward and we are optimistic that our Group will be able to benefit from it.

Our Group has embarked on a rebranding exercise, starting with the launch of our new refreshed logo to coincide with the relocation of first, our manufacturing facilities then followed by the administrative department, to our new HQ office/factory. We expect the relocation to complete by Q3 2021. Meanwhile, we have started gradually transition more responsibilities to the next generation of young leaders. All these efforts are part of our Group's transformation program to embrace changes and to foster an innovative, collaborative and high-energy working environment.

We shall continue to maintain a lean organisation structure that enhances cost-optimisation and promotes operation efficiency across all business segments.

CHAIRMAN'S STATEMENT AND  
MANAGEMENT DISCUSSION AND ANALYSIS

[CONTINUED]

**BUSINESS OUTLOOK AND PROSPECTS (CONTINUED)**

Our Group will continue to focus on our core ICT business and implement strategies that improve our products in terms of quality, design and functionality so that they remain relevant and competitive. We are setting up new manufacturing lines for our own in-house designed, built-in-toll reader (LOKATAG) and digital video recorder. The new manufacturing lines will enable us not just to fulfil existing orders but also to ensure that we have sufficient production capacity to cater for our growing demand in future. Our Group also hopes to introduce new innovative product offerings such as incorporating Advanced Driver Assistance Systems (ADAS) with AI features into our products.

Malaysia's GDP is expected to rebound between 6.5% and 7.5% in 2021 after a 4.5% contraction in 2020. The recent PERMAI stimulus package announced on 18 January 2021, as with previous stimulus packages in 2020 is expected to support the overall GDP growth and induce a spill over effects in 2020. On 27 March 2020 our government announced the resumption of several mega infrastructure projects that include the Mass Rapid Transit Line 2. We expect the resumption of infrastructure development projects will boost demand for subsector related products and services. Equipped with sufficient resources and experienced manpower, our TIS team we believe is ever ready to capture the opportunities that lie ahead.

The recent mobilisation and rollout of the COVID-19 vaccines, gradual lifting of travel restrictions and opening up of more business sectors are rejuvenating. We remain optimistic that our Group will be able to continue deliver positive results in the coming year.

**ACKNOWLEDGEMENT**

We would like to express our sincere and deep appreciation to our fellow Board members for their valuable advice as well as the management team and staff for their dedication and commitment towards the success of our Group.

On behalf of the Board, we wish to extend our gratitude to you, our beloved shareholders for your trust and confidence in us. Last but not least, we wish to express our sincere thanks to our valued customers, suppliers, business associates, bankers, fund managers, consultants and the government and regulatory authorities for their resolute support and cooperation to our Group.

Please stay safe and do take care of yourself and your loved ones.

**TUNKU DATO' SERI KAMEL**

Chairman

**DATO' KOID HUN KIAN**

Group Managing Director

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of the Company acknowledges the importance of establishing and maintaining good corporate governance within the Group and is committed to ensure that the highest possible standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders values and financial performance of the Group. This Corporate Governance Overview Statement ("CG Statement") sets out the extent to which the Group has applied the practices encapsulated in the Principles of the Malaysian Code on Corporate Governance 2017 ("MCCG 2017").

The Board is pleased to present the following CG Statement that describes the extent of how the Group has applied and complied the three (3) principles which are set out in the MCCG 2017 throughout the financial year under review:-

- (a) Principle A: Board leadership and effectiveness;
- (b) Principle B: Effective audit and risk management; and
- (c) Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders.

This CG Statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and to provide an overview of the extent of compliance with the three (3) principles as set out in the MCCG 2017.

This CG Statement should also be read together with the Corporate Governance Report 2020 of the Company which is available on the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. BOARD RESPONSIBILITIES

##### Roles and Responsibilities of the Board

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

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

The Board assumes, amongst others, the following roles and responsibilities:-

- (i) Review, challenge and decide on Management's proposals for the Company and the Group, which includes corporate strategy and business plans and monitor the implementation by the Management;
- (ii) Review and adopt corporate objectives of the Company and the Group which includes performance targets and long-term and medium-term goals;
- (iii) Oversee the resources and operational conducts of the Company's and the Group's businesses, to evaluate and assess Management's performance to determine whether the businesses are being properly managed;
- (iv) Deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- (v) Identify and understand the principal risks of the business of the Company and the Group and recognise that business decisions involve the taking of appropriate risks;
- (vi) Set the risk appetite within which the Board expects Management to operate and ensure that there is an appropriate risk management framework to identify, analyse, evaluate, manage and monitor significant financial and non-financial risks;

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****I. BOARD RESPONSIBILITIES (CONTINUED)****Roles and Responsibilities of the Board (Continued)**

- (vii) Ensure that Senior Management has the necessary skills and experience, and there are measures in place to provide for the orderly succession of Senior Management;
- (viii) Ensure that the Company adopts an effective communication strategy to enable effective communication with shareholders and other stakeholders;
- (ix) Review the adequacy and integrity of the Group's internal control systems and ensure there is a sound framework for internal controls and risk management compliance with applicable laws, regulations, rules, directives and guidelines;
- (x) Promote good corporate governance culture within the Company which reinforces ethical, prudent and professional behaviour;
- (xi) Delegates certain responsibilities to the various Board Committees with clearly defined Terms of Reference to assist the Board in discharging its responsibilities;
- (xii) Ensure that the strategic plan of the Company supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability; and
- (xiii) Ensure the integrity of the Company's financial and non-financial reporting.

**Board Committees**

To ensure the effective discharge of its fiduciary duties and responsibilities more effectively, the Board delegates specific responsibilities to the Board Committees established by the Board. Each Board Committee is governed by its own Terms of Reference which sets out its functions and duties, composition, rights and meeting procedures.

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

- Audit Committee
- Remuneration Committee
- Nomination Committee

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

**The Chairman and Group Managing Director**

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

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



## CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### I. BOARD RESPONSIBILITIES (CONTINUED)

##### Company Secretaries

The Board is supported by experienced and competent Company Secretaries in discharging its duties and responsibilities. The Company Secretaries attend and ensure that all Board and Board Committee meetings are properly convened and all deliberations and decisions are properly minuted and kept. The Board appoints the Company Secretaries who play advisory roles as a central source of information and advice to the Board and Board Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company and advocates adoption of corporate governance best practices. The specific responsibilities of the Company Secretaries include the following:-

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

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

##### Supply and Access to Information

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

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

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

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

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

##### Board Charter

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

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

The Board Charter shall be reviewed on a periodic basis and may be amended by the Board from time to time to ensure its relevance in assisting the Board to discharge its duties with the changes in laws and regulations and to remain consistent with the Board's objectives and responsibilities.

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****I. BOARD RESPONSIBILITIES (CONTINUED)****Code of Conduct and Ethics**

The Directors are expected to conduct themselves with the highest ethical standards. All Directors and employees are expected to behave ethically and professionally at all times and thereby protect and promote the reputation and performance of the Company. In relation to this, the Board has established and adopted a Code of Conduct and Ethics for Directors, as well as a Code of Conduct and Ethics for employees of the Group and Ethics for employees of the Group ("CCE"). On 18 May 2020, the Board approved the Anti-Bribery and Corruption Policy ("ABC Policy"). The said CCE and ABC Policy are available on the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

**Whistle Blowing Policy**

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

**II. BOARD COMPOSITION****Board Composition and Balance**

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

In accordance with the MMLR of Bursa Securities, the Company must ensure that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors. If the number of Directors of the Company is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) must be used. In the event of any vacancy in the Board resulting in the non-compliance with Paragraph 15.02(1) of the MMLR of Bursa Securities, the Company shall fill the vacancy within three (3) months pursuant to Paragraph 15.02(3) of the MMLR of Bursa Securities.

The Board currently has six (6) members comprising the following:-

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

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

**Independent Directors**

The Independent Directors provide independent judgement, experience and objectivity without being subordinated to operational considerations. They help to ensure that the interests of all shareholders are indeed taken into account by the Board and that the relevant issues are subjected to objective and impartial consideration by the Board. Furthermore, the long serving Independent Directors could provide the Board valuable and insightful advice as they have thorough understanding of the Group's businesses.

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### II. BOARD COMPOSITION (CONTINUED)

##### Independent Directors (Continued)

Mr. Siow Hock Lee who was appointed as Independent Non-Executive Director on 9 November 1996 has exercised his objective and independent judgement on all Board deliberations and has not compromised his long-term relationship with other Board members.

The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years in accordance with the MCCG 2017. However, upon completion of the nine (9) years, the Independent Director may continue to serve the Board subject to the Director being re-designated as a Non-Independent Director. In the event that the Director is to remain as Independent Director, the Board shall first justify and obtain shareholders' approval. If the Board continues to retain the Independent Director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process. Presently, Mr. Siow Hock Lee, is the Independent Non-Executive Director of the Company who has served the Board for more than twelve (12) years.

The Nomination Committee has recommended the Board to seek shareholders' approval for Mr. Siow Hock Lee to be retained as Independent Non-Executive Director of the Company at the forthcoming Annual General Meeting ("AGM").

The Company will seek shareholders' approval via a two-tier voting process for the retention of Mr. Siow Hock Lee as Independent Non-Executive Director of the Company at the forthcoming AGM.

##### Board Diversity

The Board recognises that Board diversity is an essential element contributing to the sustainable development of the Group and does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. There is no specific target in the composition in terms of gender, age or ethnic of its Board members or members of Senior Management.

On boardroom diversity, the Board through Nomination Committee will review the appropriate skills, experience and knowledge required of the Board members, in the context of the needs of the Group. In addition, the Directors of the Company must have ability to devote sufficient time and attention to the Company. The Board will review its composition and size from time to time to ensure an appropriate balance of skills, experience and diversity.

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

The Board currently has one female member. Female representation will be considered when a vacancy arises and/or suitable candidates are identified. The Board acknowledges the recommendation of the MCCG 2017 on gender diversity but believes that the overriding factors in selection of a Director must be based on skill, experience, competency and wealth of knowledge, while taking into consideration diversity of the Board.

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

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****II. BOARD COMPOSITION (CONTINUED)****Board Meetings**

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

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

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

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

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

During the financial year, seven (7) Board meetings were held and the attendance of the Directors who held office during the financial year ended 30 November 2020 is set out below:-

Name of Directors	No. of Meetings Attended
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	7/7 (100%)
Dato' Koid Hun Kian	7/7 (100%)
Mr. Siow Hock Lee	7/7 (100%)
Madam Tan Woon Huei	7/7 (100%)
Ir. Chew Yook Boo	7/7 (100%)
Mr. Lim Hun Teik (appointed on 7 September 2020)	2/2 (100%)

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

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

**Directors' Training**

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

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

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****II. BOARD COMPOSITION (CONTINUED)****Directors' Training (Continued)**

All Directors have completed the Mandatory Accreditation Programme in accordance with MMLR of Bursa Securities. The Directors had attended the following training during the financial year:-

Board Members	Date	Seminar/ Workshop/ Training Programme	Organizer
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	21 January 2020	In House Training on MACC Corporate Liability Act – Defense Mechanism For Company	Amtel Holdings Berhad (Facilitator: Asian Academy for Corporate Administration Sdn Bhd)
Dato' Koid Hun Kian	21 January 2020	In House Training on MACC Corporate Liability Act – Defense Mechanism For Company	Amtel Holdings Berhad (Facilitator: Asian Academy for Corporate Administration Sdn Bhd)
Mr. Siow Hock Lee	21 January 2020	In House Training on MACC Corporate Liability Act – Defense Mechanism For Company	Amtel Holdings Berhad (Facilitator: Asian Academy for Corporate Administration Sdn Bhd)
	30 November 2020 - 1 December 2020	MIA Webinar Series: Audit Quality Enhancement Programme for SMPs	Malaysian Institute of Accountants
Madam Tan Woon Huei	21 January 2020	In House Training on MACC Corporate Liability Act – Defense Mechanism For Company	Amtel Holdings Berhad (Facilitator: Asian Academy for Corporate Administration Sdn Bhd)
Ir. Chew Yook Boo	21 January 2020	In House Training on MACC Corporate Liability Act – Defense Mechanism For Company	Amtel Holdings Berhad (Facilitator: Asian Academy for Corporate Administration Sdn Bhd)
Mr. Lim Hun Teik	19 October 2020 - 21 October 2020	Mandatory Accreditation Programme	Asia School of Business

**Nomination Committee**

The Nomination Committee is primarily empowered by its Terms of Reference to perform the following:-

- (i) Consider and recommend to the Board candidates for directorship, proposed by the Group Managing Director or any director or shareholder, or outsourced independent service providers, taking into consideration the candidates' skills, knowledge, experience, age, cultural background and gender;
- (ii) Prior to any appointment by the Board, assess the balance of the mix of skills, experience and diversity of the Board;
- (iii) In identifying suitable candidates, the Nomination Committee may use the services of external advisors to facilitate the search;
- (iv) Review and recommend to the Board the appointment of member(s) and chairman(s) of Board Committee;

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****II. BOARD COMPOSITION (CONTINUED)****Nomination Committee (Continued)**

- (v) Assess the effectiveness of the Board as a whole and the Committees of the Board and the mix of skills, experience and competencies of each individual Director;
- (vi) Ensure that all Directors undergo appropriate induction programs and receive appropriate training;
- (vii) Assist the Board in the review of the independence of the Independent Non-Executive Director;
- (viii) Recommend to the Board, candidates for re-election of Directors and retiring Directors who are willing to be re-elected under the annual re-election provisions or retirement; and
- (ix) Review the terms of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and its members have carried out their duties in accordance with their Terms of Reference.

The Nomination Committee members shall be appointed by the Board and comprises exclusively of Non-Executive Directors. The Nomination Committee held two (2) meetings during the financial year ended 30 November 2020 as follows:-

Name of Directors	Designation	No. of Meetings Attended
Ir. Chew Yook Boo	Chairman/Independent Non-Executive Director	2/2 (100%)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	Member/Non-Independent Non-Executive Chairman	2/2 (100%)
Mr. Siow Hock Lee	Member/Independent Non-Executive Director	2/2 (100%)

The Nomination Committee had carried out its duties in accordance with its Terms of Reference. These include:-

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

Details of the Terms of Reference for Nomination Committee are available for reference on the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

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

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

#### II. BOARD COMPOSITION (CONTINUED)

##### Nomination Committee (Continued)

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

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

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

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

##### Directors' Assessment/Board Evaluation

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

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

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

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

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

#### III. REMUNERATION

##### Remuneration Policy

The Remuneration Committee is responsible for developing and implementing the Remuneration Policy pertaining to the remuneration for Directors, whilst the Board is responsible to approve the Remuneration Policy.

The remuneration of the Executive Directors is made up of Directors' fees, meeting attendance allowances, salary, bonus and benefits-in-kind. The determination of the remuneration is based on the executive functions, responsibilities, merits, qualification, competency and experience, as well as the contributions and performance of Director to the business.



CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****III. REMUNERATION (CONTINUED)****Remuneration Policy (Continued)**

The remuneration of Non-Executive Directors is made up of Directors' fees, meeting attendance allowances, and other claimable benefits for the purpose of carrying out their duties as Non-Executive Directors. The determination of the remuneration for Non-Executive Directors are based on their experience, qualification and level of responsibilities.

No Director shall participate or vote on the deliberations and decisions concerning his or her own remuneration.

Details of the Remuneration Policy are available for reference on the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

**Remuneration Committee**

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

The members of Remuneration Committee shall be appointed by the Board and shall comprise a majority of Non-Executive Directors. The Remuneration Committee held one (1) meeting during the financial year ended 30 November 2020 as follow:-

Name of Directors	Designation	No. of Meeting Attended
Mr. Siow Hock Lee	Chairman/Independent Non-Executive Director	1/1 (100%)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	Member/Non-Independent Non-Executive Chairman	1/1 (100%)
Ir. Chew Yook Boo	Member/Independent Non-Executive Director	1/1 (100%)

The Remuneration Committee is primarily empowered by its Terms of Reference to perform the following:-

- Periodically review the remuneration policy for Directors pertaining to the remuneration of Directors;
- To assist the Board in implementation of the remuneration policy for Directors to ensure the remuneration packages are determined on the basis of the Directors' merit, qualification, competency, responsibilities, contributions and experience, having regard to the Company's operating results, individual performance and comparable market statistics;
- To review and recommend to the Board the remuneration packages for the Executive Directors, Group Managing Director and Non-Executive Directors in all its forms, drawing from outside advice if necessary; and
- To carry out any other duties and responsibilities as may be delegated or defined by the Board from time to time.

The Terms of Reference for Remuneration Committee is available for reference on the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

## III. REMUNERATION (CONTINUED)

## Remuneration Committee (Continued)

The details of the aggregate remuneration of the Directors and Senior Management for the financial year ended 30 November 2020 are as follows:-

## (a) Aggregate Remuneration of Each Director of the Company:-

## (i) Received from Amtel Holdings Berhad

Company							
Name of Directors	Fees RM'000	Salaries RM'000	Bonus RM'000	Meeting Allowances RM'000	Statutory Contributions RM'000	Benefit- in-kind RM'000	Total RM'000
<b>Non-Executive Directors</b>							
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	74.1	-	-	2.8	-	-	76.9
Mr. Siow Hock Lee	68.4	-	-	2.8	-	-	71.2
Ir. Chew Yook Boo	68.4	-	-	2.8	-	-	71.2
Madam Tan Woon Huei	68.4	-	-	2.8	-	-	71.2
	279.3	-	-	11.2	-	-	290.5
<b>Executive Directors</b>							
Dato' Koid Hun Kian	-	555.0	125.0	2.8	27.8	31.1	741.7
Mr. Lim Hun Teik (Appointed on 7 September 2020)	-	-	-	0.8	-	-	0.8
	-	555.0	125.0	3.6	27.8	31.1	742.5
<b>Total</b>	<b>279.3</b>	<b>555.0</b>	<b>125.0</b>	<b>14.8</b>	<b>27.8</b>	<b>31.1</b>	<b>1,033.0</b>

## (ii) Received on Group Basis

Group							
Name of Directors	Fees RM'000	Salaries RM'000	Bonus RM'000	Meeting Allowances RM'000	Statutory Contributions RM'000	Benefit- in-kind RM'000	Total RM'000
<b>Non-Executive Directors</b>							
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	108.3	-	-	2.8	-	-	111.10
Mr. Siow Hock Lee	68.4	-	-	2.8	-	-	71.2
Ir. Chew Yook Boo	68.4	-	-	2.8	-	-	71.2
Madam Tan Woon Huei	68.4	-	-	2.8	-	-	71.2
	313.5	-	-	11.2	-	-	324.7
<b>Executive Directors</b>							
Dato' Koid Hun Kian	-	555.0	125.0	2.8	27.8	31.1	741.7
Mr. Lim Hun Teik (Appointed on 7 September 2020)	-	205.1	54.0	0.8	32.0	8.8	300.7
	-	760.1	179.0	3.6	59.8	39.9	1,042.4
<b>Total</b>	<b>313.5</b>	<b>760.1</b>	<b>179.0</b>	<b>14.8</b>	<b>59.8</b>	<b>39.9</b>	<b>1,367.1</b>

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)****III. REMUNERATION (CONTINUED)****Remuneration Committee (Continued)****(b) Aggregate Remuneration of Senior Management**

Remuneration Bands	Number of Senior Personnel
RM100,000-RM150,000	1
RM150,001-RM200,000	1
RM200,001-RM250,000	1
RM300,000-RM350,000	1
RM700,000-RM750,000	1

Currently, the Company has only five senior personnel. The aggregate remuneration paid to the top five senior personnel (including salary, bonus, benefits-in-kind and statutory contributions) for the financial year are provided in bands of RM50,000 based on the number of senior personnel in those bands instead of on a named basis due to confidentiality and sensitivity of each remuneration package. These senior personnel were Group Managing Director, Executive Director cum General Manager, General Manager, Group Operations Manager and Head of Engineering Department.

**PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT****I. AUDIT COMMITTEE**

The Audit Committee's task is to assist the Board in discharging its statutory duties and responsibilities relating to risk management and accounting and reporting practices of the Company and oversee the compliance with the relevant rules and regulations governing listed companies. The Audit Committee is relied upon by the Board to amongst others, provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The Audit Committee has full access to both the Internal and External Auditors who, in turn, have access at all times to the Chairman of the Audit Committee. The summary of work of the Audit Committee during the financial year ended 30 November 2020 are as disclosed in the Audit Committee Report of the Annual Report.

The Terms of Reference of the Audit Committee is available at the Company's corporate website at [www.amtel.com.my](http://www.amtel.com.my).

**Assessment of Auditors**

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

### PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

#### I. AUDIT COMMITTEE (CONTINUED)

##### Assessment of Auditors (Continued)

The Audit Committee assesses the effectiveness of the External Auditors as well as the independence and objectivity of the External Auditors. In its assessment, the Audit Committee considered several factors, which included competency, audit quality and resources of the firm.

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

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

A summary of work and the role of the Audit Committee in relation to both Internal and External Auditors are described in the Audit Committee report as set out on pages 42 to 45 of this Annual Report.

#### II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### Risk Management and Internal Control

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

The Statement on Risk Management and Internal Control as set out on pages 46 to 48 of this Annual Report provides an overview of the state of risk management activities within the Group.

The Group outsourced its internal audit function to an independent external firm of consultants. The Audit Committee reviews and approves the internal audit plan, which is ascertained based on the key risk areas and core business operations of the Group. Further details of the activities of the internal audit function and the state of internal controls within the Group are set out in the Audit Committee Report on pages 42 to 45 of this Annual Report.

### PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### Communication with Stakeholders

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

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

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

CORPORATE GOVERNANCE  
OVERVIEW STATEMENT

[CONTINUED]

**PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONTINUED)****Conduct of General Meetings**

The Company encourages shareholders to attend the AGMs. The Company dispatches its notice of AGM to shareholders at least 28 days prior to the AGM, in advance of the notice period as required under the Companies Act 2016 and MMLR of Bursa Securities. The additional time given to the shareholders allow them to make necessary arrangements to attend and participate either in person, by corporate representative, by proxy or by attorney.

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

**Poll Voting**

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

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

**Corporate Disclosure Policy and Procedures**

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

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

**Compliance Statement**

The Board has deliberated and reviewed this CG Statement. The Board considers that the CG Statement provides the necessary information to enable shareholders to evaluate how the MCCG 2017 has been applied.

This statement was approved by the Board of Directors on 18 March 2021.

# SUSTAINABILITY STATEMENT

## INTRODUCTION

The concept of sustainability has become increasingly relevant in modern times as people and organizations strive for progress. In their quest for economic success, their actions have brought about undesirable impacts on the environment and society in which they operate.

In our organization, our directors have taken upon themselves to pursue sustainability initiatives to alleviate these impacts. We believe that sustainability:-

- Maintains the health and biocapacity of the environment;
- Supports the well-being of individuals and the thriving of communities; and
- Promotes a better economy where there is little waste and pollution, fewer emissions, more jobs, and a better distribution of wealth.

This Sustainability Statement highlights the economic, environmental and social ("EES") impacts due to the day-to-day activities in the conduct of our businesses and the initiatives we have undertaken to address the issues at hand.

## OBJECTIVES

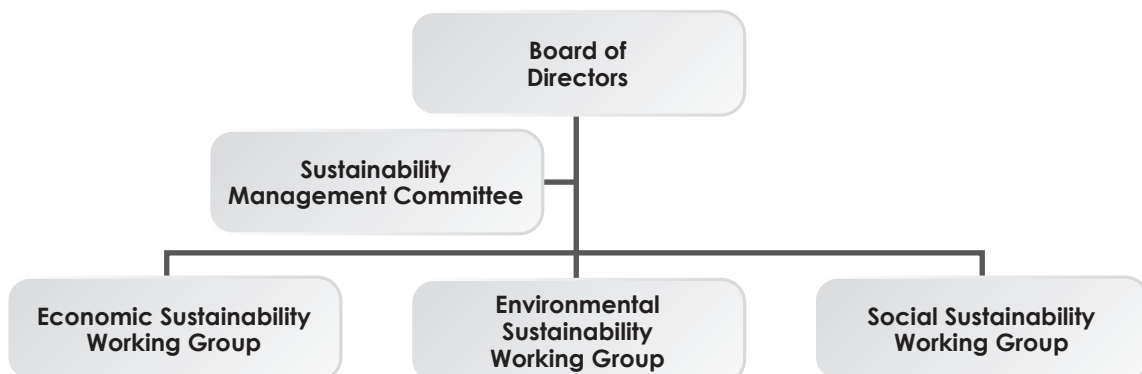
We are involved in Information & Communication Technology ("ICT"), Telecommunications, Infrastructure & Services and Others. The ICT segment generates 79% of our Group's revenue for the financial year 2020.

As we progress along the journey of sustainability, we are taking steps to improve our internal capabilities in promoting and managing the implementation of sustainability practices and report on the progress of our Group's sustainability related activities. Our Sustainability Statement covers the Company and all subsidiaries located in Malaysia. Our Singapore subsidiary company has been excluded as it is currently inactive. All other associate companies have not been included as we do not have control over them. The period covered is financial year 2020 ("FYE 2020") that runs from 1 December 2019 to 30 November 2020.

Our Group continues to prioritise sustainability issues within AHB's core business. Hence, our Sustainability scope and objectives will focus mainly on ICT business segment and areas within the organization. Going forward, this will form our basis towards the implementation of Sustainability Development and Reporting.

## SUSTAINABILITY FRAMEWORK AND GOVERNANCE

Our Board of Directors ("Board") plays a key role in supporting sustainability initiatives. Our Group Managing Director and management team are responsible for identifying and managing EES risks and opportunities, as well as measuring our Group's sustainability performance. A high-level committee in Sustainability Management Committee ("SMC") has already been set up comprising the senior management to look into the various aspects of fulfilling our Group's obligation and commitment to ensuring an effective approach in the adoption and implementation of sustainability policy and practices. Our Group has also established a sub-committee, i.e. the Sustainability Working Group represented by mostly Head of Departments ("HOD"), Operations Managers and Accounts Executives from the various departments within the Group to manage and monitor the implementation and performance. The working group reports to the SMC and are categorised into different sub-groups based on their area of focus. Our Board plays the role as the highest governance body.



SUSTAINABILITY  
STATEMENT  
[CONTINUED]

## STAKEHOLDERS ENGAGEMENT

Our principal stakeholders are listed in the table below. Particulars of our engagement with them are also disclosed therein.

Stakeholder	Topic of Interest	Methods of Engagement	Frequencies
Investors/ Shareholders	<ul style="list-style-type: none"> <li>Transparent reporting</li> <li>Business strategy and plans</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly &amp; other announcements</li> <li>Annual report</li> <li>Corporate website, AGM &amp; Extraordinary General Meeting</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly</li> <li>Annually</li> <li>As notified and/or announced</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Quality, reliability &amp; pricing of services &amp; products</li> <li>Timely delivery</li> <li>Payment &amp; other terms</li> </ul>	<ul style="list-style-type: none"> <li>Operational meetings</li> <li>Corporate functions &amp; events</li> <li>Annual customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Monthly or continuous (as and when required)</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Compensation &amp; benefits</li> <li>Work-life composition</li> <li>Career development</li> <li>Working environment &amp; staff interaction</li> </ul>	<ul style="list-style-type: none"> <li>Internal and external training programs</li> <li>Project &amp; operational meetings</li> <li>Internal audits</li> <li>Staff performance appraisal</li> <li>Annual employee's satisfaction survey</li> <li>Company functions &amp; events</li> </ul>	<ul style="list-style-type: none"> <li>Monthly, annually or continuous (as and when required)</li> </ul>
Regulators, authorities & other government bodies	<ul style="list-style-type: none"> <li>Statutory compliance</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Announcements</li> <li>Annual payments, filings &amp; returns</li> <li>Correspondences via circulars, mails or emails</li> <li>Seminars, dialogues, workshops &amp; forums</li> <li>Appointments</li> </ul>	<ul style="list-style-type: none"> <li>Annually, quarterly, monthly or continuous (as and when required)</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Product &amp; service quality &amp; reliability</li> <li>Credit and trading terms</li> <li>Reputation-related matters</li> </ul>	<ul style="list-style-type: none"> <li>Suppliers performance assessment</li> <li>Appointments – vendors selection and background search</li> <li>Corporate functions &amp; events</li> </ul>	<ul style="list-style-type: none"> <li>Annually and continuous (as and when required)</li> </ul>
Local community	<ul style="list-style-type: none"> <li>Corporate Social Responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Corporate functions &amp; events</li> </ul>	<ul style="list-style-type: none"> <li>Annually or as and when required</li> </ul>

## SUSTAINABILITY STATEMENT

[CONTINUED]

### MATERIAL SUSTAINABILITY MATTERS

Sustainability matters are the risks and opportunities arising from the EES impacts of our operations and activities. Sustainability matters are considered material if they:-

- Reflect our organization's significant EES impacts; or
- Substantially influence the assessments and decisions of the stakeholders.

The following are some of the methods used to identify Material Sustainable Matters:-

- Reference to the Reporting Guide issued by Bursa Malaysia – Appendix A: Selecting your themes and indicators;
- Reading articles and sustainability reports of other listed companies;
- Discussions, meetings and brainstorming sessions with HOD, internal & external auditors and other professional consultants, e.g. valuers and architects;
- Inputs/specifications from various stakeholders; and
- Commentary and inputs from Board members during their review of the sustainability statement.

The Material Sustainability Matters are discussed in the paragraphs that follows. It is our aim to ensure that our performance will improve over the years in addressing these matters.

### OUR IMPACT ON THE ECONOMY

We acknowledge the impact of our business activities and the importance of achieving a practical balance of optimal financial performance and responsibilities towards the environment and community.

#### DIRECT ECONOMIC VALUE

We have a viable business that has contributed positively in strengthening the Malaysian economy. The revenue generated has been equitable distributed to the stakeholders such as suppliers, employees, investors and tax authorities. For FYE 2020, our financial performance is summarised as follows:-

	RM'000
Revenue	56,041
Profit before tax	5,583
Tax	1,522
Profit after tax	4,061

Details of our business, products and services and economic performance are discussed in our Management Discussion and Analysis and the income statements.

#### CUSTOMER SATISFACTION

Customers is the main pillar of our business ventures. Therefore, engagement with customers is important for us to build a long term sustainable relationship.

Our primary focus is to offer innovative yet quality products and services which meet our customers' satisfaction. We ensure that our products and services have gone through market feasibility studies and are equipped with sustainable features that take into account market demand and relevant regulatory requirements. Customers' feedbacks on their requirements and regular interactions with customers via discussions, email communications and factory visits with regards to our product quality and innovation are key to our business growth.

Our ICT segment continues to invest in research & development to ensure that our products and services remain competitive. Some of the activities include:-

- Cost-down, improved design by reducing wastage and energy consumption;
- Safety improvements by integrating more features into various products;
- Automation of services such as data collection, notifications & alerts; and
- Compliance to recognised standards & certifications.



## SUSTAINABILITY STATEMENT

[CONTINUED]

### OUR IMPACT ON THE ECONOMY (CONTINUED)

#### PRODUCT CERTIFICATION AND QUALITY MANAGEMENT

As part of our commitment towards continual quality improvement in our product and services, our subsidiary, Amtel Cellular Sdn Bhd ("AMCSB"), has a dedicated in-house team which oversees our overall quality control and assurance under our Quality Management System. In 2011, AMCSB was approved by Lloyd's Register Quality Assurance Limited for the certification of TS16949 Standard and subsequently upgraded to the certification of IATF 16949:2016 in year 2018. This certification further evidences our management and employees' dedication in terms of quality towards our automotive clients in Malaysia and other ASEAN countries.

#### SUSTAINABLE SUPPLY CHAIN MANAGEMENT

The effectiveness of the supply chain working efficiently affects the operations of our business. We work closely with our principal partners, local and overseas suppliers who are committed to high quality materials and services which conform with environmental, health and safety standards.

Our suppliers' performances are monitored and reviewed regularly to ensure sustainability is achieved. Our procurement and logistic team conduct regular visits and meetings at suppliers' factories to ensure competitive pricing, fair credit terms and on-time delivery. We also constantly interact with our suppliers via email communications and virtual conference calls to update on delivery schedules, products quality and any rejects. We aim to develop a transparent procurement process and ethical practice and integrate environmental and social considerations into them. Our practice to source supplies locally is to help boost the local economy.

### OUR IMPACT ON THE ENVIRONMENT

We are mindful of our responsibility towards environmental impacts arising from our day-to-day operations. Therefore, we create environmental awareness among our employees in their operations and activities and encourage them to take proactive role to preserve our environment through the following initiatives and measures:-

- Innovative and "Green" Products

As a software and Telematics solutions provider, our Group strives to design its products and services by integrating green features and innovations. Our Telematics solutions primarily aims to assist businesses and consumers by reducing travelling times, better fuel efficiency, avoiding traffic congestion etc, which effectively help in reducing carbon emission.

- Energy Conservation

Raise awareness among employees to conserve energy through the following conservation practices:-

- o Minimise water and energy consumption within our office buildings and during processes to conserve the usage of water and to reduce carbon emission.
- o Turn off machines, plant or other electronic and electrical equipment, such as computers, servers, electric fans, air-conditioners, lightings, etc. when not in use, including during lunch breaks or recess.
- o Encourage the use of energy saving products such as LED lights and air-conditioner with an inverter.
- o Encourage our staff to car pool, or take public transport when commuting to office.

- Recycle and Reduce

- o Promote paperless office culture through the use of electronic documents in place of hard copy documents; mode of communication and correspondences among staff and peers are directed to slowly shift to paperless form.
- o Reuse and recycle office stationeries, wherever permissible. For example, waste paper and paper products, soft and hard cover files are reused to reduce wastages and degradation of resources.
- o Production waste and leftovers are either recycled or returned to suppliers for proper disposal.

## SUSTAINABILITY STATEMENT

[CONTINUED]

### OUR IMPACT ON THE ENVIRONMENT (CONTINUED)

- End of Life Sales and IT Products
  - Obsolete and end of life sales products (such as wire, PCBA, plastic parts and components etc) and IT products (such as CPU, hard disk, laptop, tablet, router, switch etc) are disposed of to an e-waste disposal company certified by Department of Environmental (DOE).

### OUR IMPACT ON THE SOCIAL

#### WORKPLACE

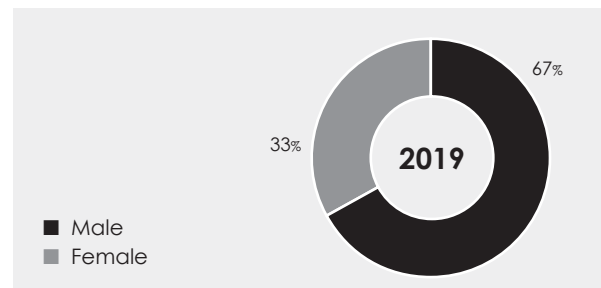
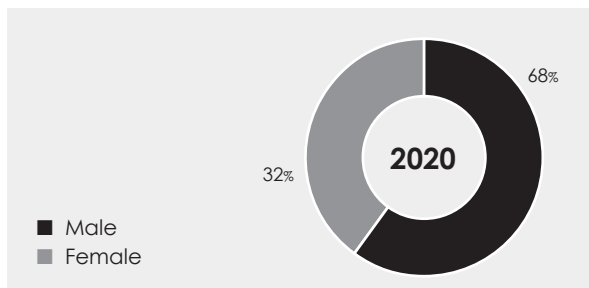
Human resource is one of our Group's biggest assets. Employees play a vital role and is one of the prioritised stakeholders that will have great influence towards our business success and sustainability.

- Employment Diversity and Equal Opportunity

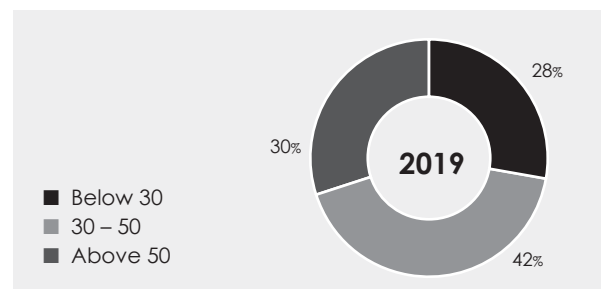
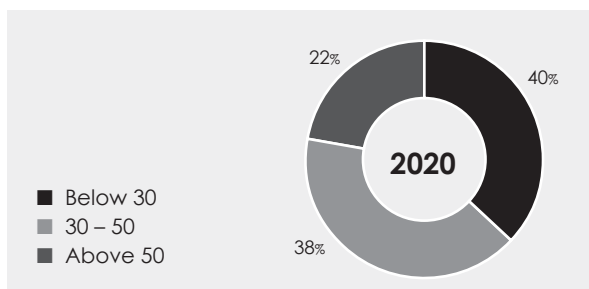
We give equal employment opportunities to existing and potential employees regardless of age, gender, religion and ethnicity. However, candidates are hired based on suitability and competency and remuneration is based on skill, experience and qualification.

Our Group's workforce profile is presented below:-

#### WORKFORCE GENDER DIVERSITY



#### AGE GROUP



In terms of age, 78% (FYE 2019: 70%) of our staff are below 50 years old which constitute an energetic workforce supporting our Group's continued sustainability. We believe that innovative products and quality solutions are developed through interaction amongst employees from different knowledge, skill sets and background. As part of our Group's succession planning, our recruitment policy for ICT segment focuses on bringing in young and dynamic talents with relevant expertise to carry the ICT business to the next level of growth.

SUSTAINABILITY  
STATEMENT  
[CONTINUED]

**OUR IMPACT ON THE SOCIAL (CONTINUED)**

WORKPLACE (CONTINUED)

- Occupational Health and Safety

Our Group places high emphasis on the health and safety of our employees. It is vital that they stay in tip-top working condition at all times. We are committed to provide a safe and healthy working environment for our employees and to ensure safe practices in all aspects of our operations and activities. Safety measures include providing security guards, surveillance equipment and notices on safety measures at relevant work locations. We also ensure that fire extinguishers and lifts are properly maintained and are functioning properly.

The ICT segment has set up an internal Environment, Health and Safety ("EHS") Committee to continuously review and make improvements for a cleaner, healthier and safe environment and to ensure compliance with all the environmental laws and EHS legislation. EHS Committee has also established a formal Safety and Health procedures and policies with the objective to ensure that all the emergency and spill response programmes are put in place to prevent and minimise workplace injuries to our staff, visitors and contractors. For FYE 2020, we have zero incident of accident at the workplace.

Our Response to COVID-19 Pandemic

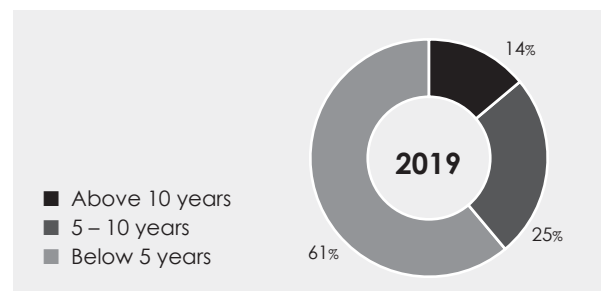
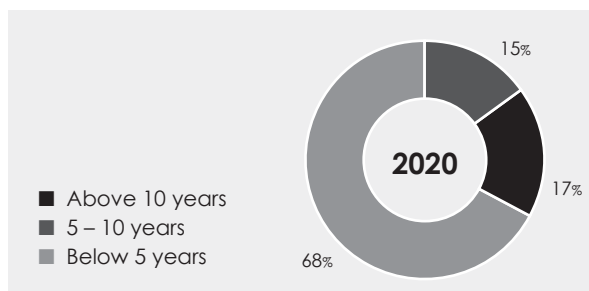
The COVID-19 pandemic outbreak poses new challenges to our work culture and may affect our business activities. We have implemented the relevant preventive measures in compliance with the guidelines and standard operating procedures advocated by our local authorities ("SOPs") to curb the spread of COVID-19. We acknowledge that while these measures are necessary, there is no guarantee that the risk can be eliminated in the near future.

Besides the SOPs such as temperature check, contact tracing, mask-up, social distancing, hand hygiene and regular sanitising, other preventive measures that we have implemented at our premises include:-

- o Displaying the relevant information/notices on prevention and procedures within the offices, warehouses and production areas;
- o "No Outside Shoe" policy within the office premises;
- o Contactless delivery/dispatch of mails, parcel and document; and
- o Working from home.

- Employees Training and Career Development

**NUMBER OF  
YEARS OF SERVICE**



Many of our staff have served our Group for a long time. Currently 32% (FYE 2019: 39%) of the present staff have worked for more than five years. Some of them started from executive positions and worked their way up to become managers and senior management team of our group of companies.

## SUSTAINABILITY STATEMENT

[CONTINUED]

### OUR IMPACT ON THE SOCIAL (CONTINUED)

#### WORKPLACE (CONTINUED)

- Employees Training and Career Development (Continued)

Our Group provide regular briefing and on-the-job trainings to new recruits to equip them with the relevant skills and knowledge. We promote continuous learning and self-improvement to existing employees and develop internal talent. Staff are assigned to attend job related trainings, workshops and seminars to keep themselves abreast of the latest development in their respective field of professional and to upgrade their skills on a regular basis. Trainings are in the form of internal and external trainings.

Our Group adopts a merit-based reward system, linking reward to staff contribution and performance. We conduct annual performance appraisal to assess employee own performance and to determine the appropriate reward. The reward may be in the form of bonus, salary revision and/or promotion, which quantum and level of promotion will depend on their performance. In this way, staff have the opportunity to engage directly with the management to understand each other's requirements, which we believe will promote transparency and two-way communication.

- Conducive workplace

We aim to provide a conducive work environment that promotes harmonious work culture, mutual respect, non-discrimination and encourage teamwork as part of our employees' retention efforts. We believe that motivated and dedicated employees are able to contribute at their optimal levels which in turn contribute effectively to the Group's performance.

Our staff holds monthly gatherings to celebrate their colleagues' birthdays and annual parties during major festive celebrations to promote interactions among themselves. However, many of these planned gatherings were held back in FYE 2020 due to the COVID-19 outbreak.

A safe and healthy workplace may avert absenteeism and do good to an employee's morale. We believe our well lit and fully air-conditioned office and factory are fit for the purpose. The requirement to possess an electronic password acts as a layer of security to gain access to our office premises. The employees were able to avail themselves of a Surau within the premises for their convenience.

#### COMMUNITY

We engage with local communities through education, charitable donations, sponsorship and support social welfare initiatives. We also encourage our employees to participate in charity programmes on individual capacity.

We strive to foster a work-life balance work culture for our employees. To this end, we continue to encourage and support staff to participate in physical activities and regular sports activities such as badminton, bowling and sports tournaments. However, such activities have been lessened in FYE 2020 due to the COVID-19 outbreak.

We believe that education is an integral component in empowering the young to become the leaders of tomorrow. Our Group offers short term internship programmes to students and job positions to fresh graduates from local higher learning institutions and universities majoring in automotive engineering technology, electronic engineering (automation and robotic), accounting and finance, surveying science, geoinformatics and geomatics for various positions in our ICT segment.

### CONCLUSION

One of our financial goals is to focus on delivering a sustainable performance to enhance our shareholders' value. Nevertheless, we are committed to balancing out the economic performance with responsible Environmental and Social considerations in our mind.

This year we are directing our efforts to ensuring every EES aspect of sustainability is observed and managed within our organisation so as to mitigate the risks and challenges attributed to the pandemic. Moving forward, we will continue to integrate sustainability practices in our day to day processes more prominently and intensify our efforts at expanding our sustainability framework and measures. With all these, we hope to enhance the scope of sustainability, both in terms of initiatives and reporting structure.

## ADDITIONAL COMPLIANCE INFORMATION

### (a) Utilisation of Proceeds Raised from Corporate Proposals

#### (i) Private Placement in 2020

On 19 October 2020, the Company had issued and allotted 10,839,000 new shares ("Placement Shares") which raised total gross proceeds of RM7,847,436. The Private Placement was completed following the listing of the Placement Shares on the Main Market of Bursa Malaysia Securities Berhad on 20 October 2020. Arising therefrom, the issued share capital of the Company increased from the existing RM32,301,203 to RM40,148,639. As at 30 November 2020, the status of the utilization of the gross proceeds is set out below:-

Purpose	Proposed Utilisation RM	Actual Utilisation RM	Balance RM	Time frame for utilisation
Setting up of manufacturing line	1,500	64	1,436	Within 12 months
Working capital	6,299	4,417	1,882	Within 12 months
Expenses relating to the Private Placement	48	48	–	Upon completion of the Private Placement
	7,847	4,529	3,318	

#### (ii) Private Placement in 2018

As at 30 November 2020, the Company has fully utilized the gross proceeds of RM3,055,400 raised from the aggregate 4,920,000 Placement Shares which were issued and allotted on 30 May 2018 and 26 November 2018.

### (b) Audit and Non-Audit Fees

The fees incurred for services rendered to the Company and its subsidiaries by the Company's External Auditors, or a firm affiliated to the External Auditors for the financial year ended 30 November 2020 were as follows:-

	Group RM'000	Company RM'000
Audit Fees	133	65
Non-Audit Fees	6	6

### (c) Material Contracts

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

### (d) Recurrent Related Party Transactions

The details of recurrent related party transactions entered into by the Group for the financial year ended 30 November 2020 are as disclosed in Note 34 to the accompanying Audited Financial Statements, which are shown on pages 120 and 121 of this Annual Report.

## AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Amtel Holdings Berhad is pleased to present the report on the Audit Committee for the financial year ended 30 November 2020.

### COMPOSITION AND ATTENDANCE

The Audit Committee presently comprises the following members: -

**Ir. Chew Yook Boo**

Chairman/Independent Non-Executive Director

**YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin**

Member/Non-Independent Non-Executive Chairman

**Mr. Siow Hock Lee**

Member/Independent Non-Executive Director\*

\*member of Malaysian Institute of Accountants

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

No alternate director shall be appointed to the Audit Committee. The Audit Committee shall elect a Chairman from among their members who shall be an independent non-executive director, and who is not the Chairman of the Board.

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

The Audit Committee held five (5) meetings during the financial year ended 30 November 2020 and the attendance of each member of the Audit Committee is as follows:

Name	No. of Meetings Attended
Ir. Chew Yook Boo	5/5
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	5/5
Mr. Siow Hock Lee	5/5

### SUMMARY OF WORK OF AUDIT COMMITTEE

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

(1) Financial Reporting

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

The above review was performed to ensure that the Company's and the Group's quarterly financial reporting and disclosures present a true and fair view of the Company's and of the Group's financial position and are in compliance with the Malaysian Financial Reporting Standard 134: Interim Financial Reporting, International Accounting Standard 34: Interim Financial Reporting and applicable disclosure provisions of the Listing Requirements of Bursa Securities.

- (b) Reviewed and made recommendations to the Board in respect of the financial statements of the Company and of the Group for the financial year ended 30 November 2020 and to ensure they give a true and fair view of the Company's and of the Group's financial position and performance for the year and compliance with relevant regulatory requirements.

AUDIT  
COMMITTEE REPORT  
[CONTINUED]**SUMMARY OF WORK OF AUDIT COMMITTEE (CONTINUED)**

## (2) Internal Audit

- (a) Reviewed and discussed with the internal auditors on their annual internal audit plan and audit fees to ensure adequate scope, competency, resources and comprehensive coverage over the activities of the Group.
- (b) Reviewed and discussed with the internal auditors on the audit findings and recommendations of the audit findings to improve any weaknesses of the Group's internal control system and ensuring the risk issues were adequately addressed.
- (c) Evaluated the performance of the internal audit function via a set of questionnaires covering the effectiveness, adequacy and suitability of the internal auditors.

## (3) External Audit

- (a) Reviewed and discussed with external auditors the audit planning memorandum covering the audit objectives and plan, risk areas, audit approach and relevant technical pronouncements and accounting standards.
- (b) Reviewed and discussed with external auditors the audit committee memorandum covering significant audit findings, potential key audit matters and matters for control improvement.
- (c) Evaluated the performance and assessed the suitability, objectivity and independence of the external auditors during the year via a set of questionnaires covering the calibre of the external audit firm; quality of processes/performance; skills and expertise including industrial knowledge; independence and objectivity; audit scope and planning; audit fees; and their communications with the Audit Committee.

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

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

## (4) Related Party Transactions

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

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

## (5) Other Matters

- (a) Reviewed the Statement on Risk Management and Internal Control which provided an overview of risk management and internal control within the Group prior to the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the external auditors is set out on pages 46 to 48 of this Annual Report.
- (b) Reviewed the Audit Committee Report and recommended the same for Board's approval for inclusion in the Annual Report.
- (c) Reviewed the results of the Audit Committee Members' Self and Peer Evaluation Form on the capabilities/performance of the Audit Committee members.
- (d) Reviewed the proposed amendments to the Terms of Reference of Audit Committee and recommended the same for the Board's approval.



## AUDIT COMMITTEE REPORT

[CONTINUED]

### INTERNAL AUDIT FUNCTION

The internal audit function is set up with the objectives to assist the Board and Audit Committee in providing an independent assessment and assurance on the Group's state of internal control system.

The internal audit functions are summarised as follows: -

- To ensure that the Group has adequately addressed the key components of corporate governance, risk management and internal control requirements;
- To ensure that the Management of the Group maintains a sound system of internal control to safeguard the Group's assets and the interest of shareholders;
- To review the adequacy and effectiveness of the Group's system of risk management and internal control;
- To identify principal risks and to ensure the implementation of appropriate internal control and mitigation measures;
- To perform regular review over the operational processes and to provide an independent assurance on the adequacy and efficiency of financial and operating controls of the Group;
- To ensure the reliability and integrity of the financial and operational information and other management data that the reporting system is in place;
- To assist the Audit Committee to review the internal audit program and results of the internal audit process and where necessary, ensure that appropriate action is taken on recommendations of the internal audit function;
- To assist the Board and Management to instill and sustain the internal control system in a disciplined and systematic manner; and
- To assist the employees to better understand, manage and communicate risk and related controls in an integrated approach.

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

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

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

AUDIT  
COMMITTEE REPORT  
[CONTINUED]**INTERNAL AUDIT FUNCTION (CONTINUED)**

During the financial year under review, the following activities were carried out by PKM in the discharge of its responsibilities:

- (i) Carried out annual review of the Group's enterprise risk assessment focusing mainly on its core business segments of Information & Communication Technology and Infrastructure and Services, update the risk management report and present the report to the Audit Committee and Board for review and discussion; and
- (ii) Assisted the management in the establishment and implementation of preventive measures in compliance with Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Bill 2018 (MACC) under para 15.29 Anti-corruption and Whistle Blowing, conduct in-house training and awareness program for staff and enhance the effectiveness of Enterprise Risk Management processes by incorporating the key Anti-Bribery and Corruption concepts, guidelines and best practices.

Based on their review conducted, none of the weaknesses noted have resulted in material losses, contingencies or uncertainties to the Group. The fee incurred during the financial year ended 30 November 2020 in relation to the internal audit function was RM50,585.

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

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

The Malaysian Code of Corporate Governance requires listed companies to maintain a sound system of internal control and risk management framework to safeguard shareholders' investments and the Group's assets.

The Board is pleased to present the Group's Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30 November 2020, which is prepared in accordance with paragraph 15.26 (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

### THE BOARD'S RESPONSIBILITIES

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

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

### THE RISK MANAGEMENT FRAMEWORK

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

The Board through the ERM Committee ("ERMC") will continually review risk management framework and ensures appropriate action is taken to remedy any significant weaknesses identified from the review. The ERMC is headed by the Group Operations Manager and comprises Strategic Business Unit ("SBU") heads together with senior management and is assisted by the internal auditors to determine and communicate policy, objectives, procedures and guidelines. The ERMC also directs and monitors the implementation of ERM practices and activities throughout the Group.

The ERM was established with the following main objectives:-

- To ensure the ERM is adequate, adopted and practiced throughout the Group;
- To ensure ERM framework is clearly communicated to all levels of employees and to promote a culture of participation in the risk management process;
- To protect the Group from significant adverse impact arising from incidents, to reduce its exposure, mitigate and control these losses;
- To ensure that the Group fulfills its mission, perform its key functions and meet its business objectives;
- To ensure that the Group adopts the COSO's principles and methodologies to determine the risk appetite; and
- To oversee the implementation of AMTEL Group's Code of Conduct and Business Ethics ("COBE"), Anti Bribery and Corruption ("ABC") Policy and ABC Manual, and to put in place effective system to counter bribery and corruption by setting up relevant internal control mechanism to prevent and deter any potential bribery and corruption related activities.

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

STATEMENT ON RISK MANAGEMENT  
AND INTERNAL CONTROL

[CONTINUED]

**THE RISK MANAGEMENT FRAMEWORK (CONTINUED)**

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

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

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

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

**KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL**

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

- IATF 16949:2016 Quality Management Systems has been implemented for one of the Group's main subsidiary where documented internal procedures and standard operating procedures have been put in place, guiding staff in carrying out their functions effectively. Internal quality audits are carried out by qualified management representative and annual surveillance audits are conducted by an independent certification body to ensure compliance;
- An organisation structure which clearly defines the lines of responsibility, accountability and delegation of appropriate levels of authority to the various divisions of the Group's business;
- Meetings are held at business units and divisional levels with the present of the Group Managing Director and/or Group General Manager to identify, discuss and review operational and financial issues which require timely decision making and action plan;
- Monthly financial and key operation reports are provided to the senior management and SBU heads on a monthly basis for monitoring and execution of business plans. The Group also operates an ERP and information system that provides for transactions to be captured, compiled and reported. The information system, secured intranet and electronic mail system are used as a tool for communication, dissemination and sharing of operation data, management information and knowledge;
- There is a process for setting monthly targets, which include amongst others sales forecast, planned projects expenses and capital expenditure for key operations that require the review and approval by respective General Managers. Actual performance is monitored against the agreed targets and identification of significant variance is highlighted to senior management for prompt corrective action plan, when necessary;
- Quarterly monitoring of the Group's results by the Board, who plays an active role in discussing and reviewing any new business ventures, strategies, significant performance and risks faced by the Group;
- Provision of internal and external training programmes to enhance staff competency and skill set; and
- A policy on Whistle Blowing has been established to facilitate the reporting of activities or practices which are in violation of the Group's work rules and policies.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[CONTINUED]

### INTERNAL AUDIT FUNCTIONS

The Audit Committee assists the Board in reviewing the adequacy and effectiveness of the risk management and internal control system in the company. The Board has outsourced its internal audit functions to PKM Partners (M) Sdn. Bhd. ("PKM"), which reports directly and independently to the Audit Committee.

A description of the internal audit functions and activities of PKM during the financial year ended 30 November 2020 can be found in the Audit Committee Report as set out on page 42 to 45 of this Annual Report.

Upon completion of their audit review, the Internal Auditor submits a report to the Audit Committee on their audit findings, such as internal control weaknesses identified as well as recommendations or corrective measures for the Audit Committee's review and approval, or for future deliberation with the SBU Heads/Board.

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

### ASSURANCE AND CONCLUSION

The Board has received assurance from the Group Managing Director that the Group's current risk management and internal control systems have been operating adequately and effectively, in all material aspects based on the risk management and internal control processes adopted and similar assurance given by the respective SBU heads.

Taking this assurance into consideration, the Board is of the opinion that the systems of risk management and internal control were satisfactory and adequate to safeguard the interest of the shareholders and the Group's assets. There were no significant internal control deficiencies that result in material losses, contingencies or uncertainties requiring disclosure in the Annual Report. The Board and management are cognisant that the development of a sound system of internal control is an on-going process and will continually assess the adequacy and effectiveness of the Group's risk management framework and system of internal control and strengthen it when necessary in line with the changes and challenges in the business environment in which the Group operates in.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the Bursa Securities' MMLR, the external auditors have reviewed and reported the results thereof to the Board. The review was a limited assurance engagement performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and AAPG 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Controls Included in the Annual Report*.

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

This Statement has been approved by the Board of Amtel Holdings Berhad resolution on 18 March 2021.

## DIRECTORS' RESPONSIBILITY STATEMENT

IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

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

In the process of preparing the financial statements of the Group and of the Company for the financial year ended 30 November 2020, the Directors have:-

- Adopted suitable accounting policies that are consistently applied;
- Made judgements and estimates that are reasonable and prudent;
- Ensured that all applicable approved accounting standards have been followed; and
- Prepared the financial statements on the assumption that the Company and the Group will operate as a going concern.

The Directors have the responsibility for ensuring that the Group and the Company maintains proper accounting records which disclose with reasonable accuracy the financial position of the Group and the Company, which will enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016 and the applicable regulatory requirements. In addition, the Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.

# REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020



**51**

Directors' Report

**55**

Statements of Financial Position

**57**

Statements of  
Comprehensive Income

**58**

Statements of Changes in Equity

**61**

Statements of Cash Flows

**64**

Notes to the Financial Statements

**138**

Statement by Directors

**138**

Statutory Declaration

**139**

Independent Auditors' Report



## DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 November 2020.

### PRINCIPAL ACTIVITIES

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

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

### RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	4,060,951	1,275,882
Profit attributable to: Owners of the Company	4,060,951	1,275,882

### 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 financial year ended 30 November 2020.

### RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as shown 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 had satisfied themselves that all known bad debts had been written off 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 the amount written off as bad debts or 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 which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

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

## DIRECTORS' REPORT

[CONTINUED]

### VALUATION METHODS

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

### CONTINGENT AND OTHER LIABILITIES

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

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

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

### CHANGE OF CIRCUMSTANCES

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

### ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors:

- (a) 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
- (b) 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 10,839,000 new ordinary shares at issue price of RM0.72 per ordinary share via private placement for working capital purposes.

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

### DIRECTORS

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

YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin\*  
Dato' Koid Hun Kian\*  
Siow Hock Lee  
Tan Woon Huei  
Ir. Chew Yook Boo  
Lim Hun Teik\*

(Appointed on 7 September 2020)

\* Directors of the Company and certain subsidiaries

DIRECTORS'  
REPORT  
[CONTINUED]

### DIRECTORS (CONTINUED)

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

Chin Wou Chau  
Koid Siang Loong  
Lee Chye Khern  
Wong Shok Fan  
Leong Sok Yee  
Ng Shyh Kang  
Chong Wei Hwa

(Appointed on 29 September 2020)  
(Resigned on 5 December 2019)

### 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 of the Company and its related corporations during the financial year were as follows:

	Number of Ordinary Shares			At 30 November 2020
	At 1 December 2019	Bought	Sold	
<b>Direct interest:</b>				
Dato' Koid Hun Kian	8,286,088	–	–	8,286,088
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	–	–	200,000
Siow Hock Lee	65,333	–	–	65,333
Tan Woon Huei	219,000	–	–	219,000
Lim Hun Teik	122,000	–	–	122,000
<b>Indirect interest:</b>				
Dato' Koid Hun Kian *	6,324,203	1,800,000	–	8,124,203
Siow Hock Lee **	814,333	–	–	814,333

\* This includes shares held by spouse and/or child pursuant to Section 59(11)(c) of the Companies Act 2016 and shares held by virtue of his interest in Simfoni Kilat Sdn. Bhd. and Bai Yun Mountain Trading Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

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

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

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

### DIRECTORS' BENEFITS

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

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

## DIRECTORS' REPORT

[CONTINUED]

### INDEMNITY TO DIRECTORS AND OFFICERS

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

### SUBSIDIARIES

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

The auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

### SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

### SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

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

### AUDITORS' REMUNERATION

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

### INDEMNITY TO AUDITORS

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

### AUDITORS

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

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

**YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN**

Director

**DATO' KOID HUN KIAN**

Director

Date: 18 March 2021

## STATEMENTS OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	23,733,681	2,005,757	21,413,739	21,807
Investment in subsidiaries	6	–	–	18,016,075	18,016,075
Investment in associates	7	1,572,597	1,216,291	–	–
Intangible assets	8	1	1	–	–
Other investments	9	250,000	250,000	–	–
Investment properties	10	3,068,733	1,653,717	–	–
Deferred tax assets	11	358,965	445,199	–	–
<b>Total non-current assets</b>		<b>28,983,977</b>	<b>5,570,965</b>	<b>39,429,814</b>	<b>18,037,882</b>
<b>Current assets</b>					
Inventories	12	4,337,070	3,849,918	–	–
Other investments	9	7,826,618	21,195,407	45,453	9,264,209
Trade receivables	13	9,909,594	8,134,024	–	–
Other receivables, deposits and prepayments	14	1,124,510	2,682,369	67,778	1,954,902
Contract assets	15	4,853,154	1,320,815	–	–
Dividend receivables		–	–	–	3,510,000
Tax assets	16	99,171	30,039	–	–
Amount owing by subsidiaries	17	–	–	6,518,030	4,391,139
Amount owing by associates	18	15,539	42,423	11,597	4,166
Cash deposits with licensed banks	19	8,372,166	8,922,315	–	–
Cash and bank balances	20	15,801,436	13,750,069	5,683,053	2,966,337
<b>Total current assets</b>		<b>52,339,258</b>	<b>59,927,379</b>	<b>12,325,911</b>	<b>22,090,753</b>
<b>TOTAL ASSETS</b>		<b>81,323,235</b>	<b>65,498,344</b>	<b>51,755,725</b>	<b>40,128,635</b>

STATEMENTS OF  
FINANCIAL POSITION

AS AT 30 NOVEMBER 2020

[CONTINUED]

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	21	40,148,639	32,301,203	40,148,639	32,301,203
Reserves	22	21,784,040	17,723,245	4,156,616	2,880,734
<b>Total equity</b>		<b>61,932,679</b>	<b>50,024,448</b>	<b>44,305,255</b>	<b>35,181,937</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Lease/Finance lease payables	23	139,290	239,955	–	–
Deferred tax liabilities	11	89,427	86,873	–	–
<b>Total non-current liabilities</b>		<b>228,717</b>	<b>326,828</b>	<b>–</b>	<b>–</b>
<b>Current liabilities</b>					
Trade payables	24	13,989,312	10,698,661	–	–
Other payables, deposits and accruals	25	2,517,319	2,039,504	627,379	338,776
Amount owing to subsidiaries	17	–	–	6,755,971	4,563,191
Amount owing to an associate	18	13,000	–	–	–
Provisions	26	1,368,928	1,011,583	66,634	44,245
Bank borrowings	27	389,350	136,444	–	–
Lease/Finance lease payables	23	100,207	126,807	–	–
Tax liabilities		783,723	1,134,069	486	486
<b>Total current liabilities</b>		<b>19,161,839</b>	<b>15,147,068</b>	<b>7,450,470</b>	<b>4,946,698</b>
<b>Total liabilities</b>		<b>19,390,556</b>	<b>15,473,896</b>	<b>7,450,470</b>	<b>4,946,698</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>81,323,235</b>	<b>65,498,344</b>	<b>51,755,725</b>	<b>40,128,635</b>

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

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Revenue	29	56,040,720	63,169,525	3,729,209	6,576,000
Cost of sales	30	(42,391,259)	(48,314,577)	(71,715)	–
<b>Gross profit</b>		13,649,461	14,854,948	3,657,494	6,576,000
Other operating income		960,582	1,140,614	254,204	354,424
Distribution expenses		(353,152)	(436,741)	–	–
Administrative expenses		(6,294,088)	(7,504,159)	(2,011,775)	(2,366,011)
Other operating expenses		(2,646,174)	(2,026,155)	(624,041)	(411,767)
		(9,293,414)	(9,967,055)	(2,635,816)	(2,777,778)
<b>Profit from operations</b>		5,316,629	6,028,507	1,275,882	4,152,646
Finance costs		(56,292)	(77,636)	–	–
Share of results of associates		322,729	345,714	–	–
<b>Profit before tax</b>	31	5,583,066	6,296,585	1,275,882	4,152,646
Income tax expense	32	(1,522,115)	(1,468,247)	–	–
<b>Profit for the financial year</b>		4,060,951	4,828,338	1,275,882	4,152,646
<b>Other comprehensive (loss)/ income, net of tax</b>					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Foreign currency translation		(156)	1,573	–	–
<b>Total comprehensive income for the financial year</b>		4,060,795	4,829,911	1,275,882	4,152,646
<b>Profit for the financial year attributable to:</b>					
Owners of the Company		4,060,951	4,828,338	1,275,882	4,152,646
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		4,060,795	4,829,911	1,275,882	4,152,646
<b>Earnings per share (sen) #</b>					
- Basic	33	4.88	5.94		
- Diluted	33	4.88	5.94		

# Retrospectively adjusted following the completion of bonus issue of shares on 24 February 2021 as disclosed in Note 41 to the financial statements.

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



# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

Group	Attributable to Owners of the Company					Total Equity RM
	Share Capital RM	Fair Value Adjustment Reserve RM	Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Exchange Reserve RM	Retained Earnings RM	
<b>At 1 December 2018</b>						
As previously reported	32,301,203	159,000	—	36,606	12,697,728	45,194,537
Change in accounting policy	—	(159,000)	159,000	—	—	—
Restated balance at 1 December 2018	32,301,203	—	159,000	36,606	12,697,728	45,194,537
<b>Comprehensive income</b>						
Profit for the financial year	—	—	—	—	4,828,338	4,828,338
Other comprehensive income for the financial year	—	—	—	1,573	—	1,573
<b>Total comprehensive income for the financial year</b>	—	—	—	1,573	4,828,338	4,829,911
<b>At 30 November 2019</b>	32,301,203	—	159,000	38,179	17,526,066	50,024,448

STATEMENT OF  
CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

[CONTINUED]

Group	← Attributable to Owners of the Company →				Total Equity RM
	Share Capital RM	Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Exchange Reserve RM	Retained Earnings RM	
<b>At 1 December 2019</b>	32,301,203	159,000	38,179	17,526,066	50,024,448
<b>Comprehensive income</b>					
Profit for the financial year	–	–	–	4,060,951	4,060,951
Other comprehensive loss for the financial year	–	–	(156)	–	(156)
<b>Total comprehensive income for the financial year</b>	–	–	(156)	4,060,951	4,060,795
<b>Transaction with owners</b>					
Issue of ordinary shares	7,847,436	–	–	–	7,847,436
<b>Total transaction with owners</b>	7,847,436	–	–	–	7,847,436
<b>At 30 November 2020</b>	40,148,639	159,000	38,023	21,587,017	61,932,679

STATEMENT OF  
CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020  
[CONTINUED]

Company	Share Capital RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
<b>At 1 December 2018</b>	32,301,203	(1,271,912)	31,029,291
<b>Comprehensive income</b>			
Profit for the financial year	–	4,152,646	4,152,646
<b>Total comprehensive income for the financial year</b>	–	4,152,646	4,152,646
<b>At 30 November 2019</b>	32,301,203	2,880,734	35,181,937
<b>Comprehensive income</b>			
Profit for the financial year	–	1,275,882	1,275,882
<b>Total comprehensive income for the financial year</b>	–	1,275,882	1,275,882
<b>Transaction with owners</b>			
Issue of ordinary shares	7,847,436	–	7,847,436
<b>Total transaction with owners</b>	7,847,436	–	7,847,436
<b>At 30 November 2020</b>	40,148,639	4,156,616	44,305,255

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>Cash flows from operating activities</b>					
Profit before tax		5,583,066	6,296,585	1,275,882	4,152,646
Adjustments for:					
Depreciation of property, plant and equipment		977,586	942,874	129,946	17,445
Depreciation of investment properties		9,316	–	–	–
Distribution income from fixed income funds		(229,234)	(537,842)	(81,243)	(210,358)
Dividend income		–	–	(2,268,000)	(5,424,000)
Fair value gain on other investments		(166,280)	–	–	–
Gain on disposal of property, plant and equipment		–	(23,800)	–	–
Loss on disposal of a subsidiary		271	–	–	–
Property, plant and equipment written off		–	947	–	–
Impairment loss on property, plant and equipment		4,392	–	–	–
Interest expense		56,292	77,636	–	–
Interest income		(389,090)	(465,272)	(43,526)	(57,528)
Inventories written off		55,376	7,777	–	–
Inventories written down		518,749	15,356	–	–
Net provision of warranty costs		347,807	496,985	–	–
Net provision for employee benefits		59,651	6,245	22,389	5,307
Share of results of associates		(322,729)	(345,714)	–	–
Unrealised (gain)/loss on foreign exchange		(50,016)	15,159	–	–
Waiver of amounts owing by a subsidiary		–	–	1,300	1,300
Operating profit/(loss) before changes in working capital		6,455,157	6,486,936	(963,252)	(1,515,188)
Changes in working capital:					
Contract assets		(3,532,339)	(1,320,815)	–	–
Inventories		(1,046,694)	(461,919)	–	–
Receivables		(287,302)	4,282,674	1,887,124	6,515
Payables		4,076,380	(1,168,931)	288,603	(149,811)
Cash generated from/(used in) operations		5,665,202	7,817,945	1,212,475	(1,658,484)
Utilisation of provision of warranty costs		(48,858)	(26,570)	–	–
Dividend received		–	183,750	5,778,000	1,914,000
Interest paid		(56,292)	(77,636)	–	–
Interest received		389,090	465,272	43,526	57,528
Income tax paid		(1,915,413)	(1,202,365)	–	–
Income tax refunded		37,853	818,319	–	–
Net cash from operating activities		4,071,582	7,978,715	7,034,001	313,044

STATEMENT OF  
CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

[CONTINUED]

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
<b>Cash flows from investing activities</b>					
Subscription for additional shares in associate	7	(48,000)	–	–	–
Repayment from a former subsidiary		–	8,200,513	–	8,200,513
Repayment from/(Advances to) an associate		26,884	1,263,848	(7,431)	(320)
Advances to subsidiaries		–	–	(2,128,191)	(1,105,271)
Distribution income from fixed income funds		229,234	537,842	81,243	210,358
Net cash outflows on disposal of a subsidiary	6 (a)	(20,080)	–	–	–
Net changes in pledged deposits		(707,103)	883,601	–	–
Net withdrawal/(placement) of fixed income funds		15,101,789	(17,119,510)	9,218,756	(8,710,357)
Acquisition of quoted equity securities		(1,566,720)	–	–	–
Proceeds from disposal of property, plant and equipment		–	114,348	–	–
Purchase of property, plant and equipment	5	(22,744,393)	(387,786)	(21,521,878)	(14,070)
Purchase of investment properties	10	(1,424,332)	(1,485,000)	–	–
Deposits paid for acquisition of properties		–	(2,006,000)	–	(1,888,000)
Net cash used in investing activities		(11,152,721)	(9,998,144)	(14,357,501)	(3,307,147)
<b>Cash flows from financing activities</b>					
Advances from/(Repayment to) an associate	(a)	13,000	(6,000)	–	–
Advances from/(Repayment to) subsidiaries		–	–	2,192,780	(1,192,329)
Proceeds from issuance of ordinary shares		7,847,436	–	7,847,436	–
Payment of lease/finance lease payables		(127,265)	(125,231)	–	–
Net cash from/(used in) financing activities		7,733,171	(131,231)	10,040,216	(1,192,329)
<b>Net increase/(decrease) in cash and cash equivalents</b>		652,032	(2,150,660)	2,716,716	(4,186,432)
Cash and cash equivalents at the beginning of the financial year		14,793,349	16,942,436	2,966,337	7,152,769
Effects of foreign exchange rate changes		(156)	1,573	–	–
<b>Cash and cash equivalents at the end of the financial year</b>	28	15,445,225	14,793,349	5,683,053	2,966,337

STATEMENT OF  
CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 30 NOVEMBER 2020

[CONTINUED]

(a) Reconciliation of liabilities arising from financing activities:

**Group**

	Note	1 December 2019 RM	Cash Flows RM	Non-cash Addition RM	30 November 2020 RM
Lease payables	23	366,762	(127,265)	–	239,497

	Note	1 December 2018 RM	Cash Flows RM	Non-cash Addition RM	30 November 2019 RM
Finance lease payables	23	406,993	(125,231)	85,000	366,762

**Company**

Changes in liabilities arising from financing activities are changes arising from cash flows.

(b) Total cash outflows for leases

During the financial year, the Group and the Company had total cash outflows for leases of RM515,430 and RM98,600 respectively.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

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

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 18 March 2021.

### 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"), the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### 2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

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

##### New MFRS

MFRS 16	Leases
---------	--------

##### Amendments/Improvements to MFRSs

MFRS 3	Business Combinations
MFRS 9	Financial Instruments
MFRS 11	Joint Arrangements
MFRS 112	Income Taxes
MFRS 119	Employee Benefits
MFRS 123	Borrowing Costs
MFRS 128	Investments in Associates and Joint Ventures

##### New IC Int

IC Int 23	Uncertainty over Income Tax Treatments
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The adoption of the above new MFRS, amendments/improvements to MFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group's and Company's existing accounting policies, other than the initial application of MFRS 16.

NOTES TO THE  
FINANCIAL STATEMENTS  
[CONTINUED]**2. BASIS OF PREPARATION (CONTINUED)****2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (Continued)****MFRS 16 Leases**

Effective 1 January 2019, MFRS 16 has replaced MFRS 117 *Leases* and IC Int 4 *Determining whether an Arrangement contains a Lease*.

Under MFRS 117, leases are classified either as finance leases or operating leases. A lessee recognises on its statement of financial position assets and liabilities arising from finance leases. For operating leases, lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. Instead, all leases are brought onto the statements of financial position except for short-term and low value asset leases.

The Group and the Company have applied MFRS 16 using the modified retrospective approach with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings at the date of initial application (i.e. 1 December 2019). As such, the comparative information was not restated and continues to be reported under MFRS 117 and IC Int 4.

**Definition of a lease**

MFRS 16 changes the definition of a lease mainly to the concept of control. MFRS 16 defines that a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group and the Company have elected the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, the definition of a lease under MFRS 16 was applied only to contracts entered or changed on or after 1 December 2019. Existing lease contracts that are still effective on 1 December 2019 will be accounted for as lease contracts under MFRS 16.

**Impact of the adoption of MFRS 16**

The application of MFRS 16 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements as at the date of initial application. Other than the enhanced new disclosures relating to leases, which the Group and the Company have complied with in the current financial year, the application of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

**(i) Classification and measurement**

As a lessee, the Group and the Company previously classified leases as operating or finance leases based on their assessment of whether the lease transferred significantly all the risks and rewards incidental to ownership of the underlying asset to the Group and to the Company.



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**2. BASIS OF PREPARATION (CONTINUED)****2.2 Adoption of new MFRS, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (Continued)****MFRS 16 Leases (Continued)****Impact of the adoption of MFRS 16 (Continued)****(i) Classification and measurement (Continued)**

On adoption of MFRS 16, for all their leases other than short-term and low value asset leases, the Group and the Company:

- recognised the right-of-use assets and lease liabilities in the statements of financial position as at the date of initial application;
- recognised depreciation of right-of-use assets and interest on lease liabilities in profit or loss for the current financial year;
- separated the total amount of cash paid for leases into principal portion (presented within financing activities) and interest portion (presented within operating activities) in the statements of cash flows for the current financial year; and
- applied the exemption not to recognise right-to-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application.

Leases that were classified as finance leases under MFRS 117

For leases that were classified as finance leases under MFRS 117, the Group retained the existing carrying amounts of leased assets and finance lease liabilities under MFRS 117 as the carrying amounts of right-of-use assets and lease liabilities at the date of initial application of MFRS 16. The measurement requirements of MFRS 16 are applied after that date.

**(ii) Short-term lease**

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective**

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

	<b>Effective for financial periods beginning on or after</b>
<u>New MFRS</u>	
MFRS 17 Insurance Contracts	1 January 2023
<u>Amendments/Improvements to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022^/ 1 January 2023#
MFRS 3 Business Combinations	1 January 2020/ 1 January 2022/ 1 January 2023#
MFRS 4 Insurance Contracts	1 January 2021/ 1 January 2023

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)**

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

		<b>Effective for financial periods beginning on or after</b>
<u>Amendments/Improvements to MFRSs (Continued)</u>		
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2023#
MFRS 7	Financial Instruments: Disclosures	1 January 2020/ 1 January 2021/ 1 January 2023#
MFRS 9	Financial Instruments	1 January 2020/ 1 January 2021/ 1 January 2022^/ 1 January 2023#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 15	Revenue from Contracts with Customers	1 January 2023#
MFRS 16	Leases	1 June 2020/ 1 January 2021/ 1 January 2022^
MFRS 101	Presentation of Financial Statements	1 January 2020/ 1 January 2023/ 1 January 2023#
MFRS 107	Statements of Cash Flows	1 January 2023#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020
MFRS 116	Property, Plant and Equipment	1 January 2022/ 1 January 2023#
MFRS 119	Employee Benefits	1 January 2023#
MFRS 128	Investments in Associates and Joint Ventures	Deferred/ 1 January 2023#
MFRS 132	Financial Instruments: Presentation	1 January 2023#
MFRS 136	Impairment of Assets	1 January 2023#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022/ 1 January 2023#
MFRS 138	Intangible Assets	1 January 2023#
MFRS 139	Financial Instruments: Recognition and Measurement	1 January 2020/ 1 January 2021
MFRS 140	Investment Property	1 January 2023#
MFRS 141	Agriculture	1 January 2022^

^ The Annual Improvements to MFRS Standards 2018-2020

# Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)**

The Group and the Company plan to adopt the above applicable new MFRS and amendments/improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below.

**Amendments to MFRS 3 Business Combinations**

The amendments clarify the definition of a business with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The distinction is important because an acquirer does not recognise goodwill in an asset acquisition.

The amendments, amongst others, clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments also add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

The amendments also update by replacing a reference to an old version of the *Conceptual Framework for Financial Reporting* with a reference to the latest version which was issued by MASB in April 2018.

**Amendment to MFRS 16 Leases**

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

**Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Error**

The amendments refine the definition by including 'obscuring information' in the definition of material to respond to concerns that the effect of including immaterial information should not reduce the understandability of a company's financial statements. The prior definition focuses only on information that cannot be omitted (material information) and does not also consider the effect of including immaterial information.

Other refinements to the definition include incorporating some existing wording in MFRS 101 and the *Conceptual Framework for Financial Reporting*. Consequently, the amendments align the definition of material across MFRS Standards and other publications.

**Amendments to MFRS 101 Presentation of Financial Statements**

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

NOTES TO THE  
FINANCIAL STATEMENTS  
[CONTINUED]**2. BASIS OF PREPARATION (CONTINUED)****2.3 New MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective (Continued)*****Amendments to MFRS 116 Property, Plant and Equipment***

The amendments prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity shall recognise such sales proceeds and related cost in profit or loss.

***Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets***

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous.

**2.3.1** The initial application of the above applicable amendments/improvements to MFRS is not expected to have material impact to the current and prior years financial statements of the Group and of the Company.

**2.4 Functional and presentation currency**

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

**2.5 Basis of measurement**

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

**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 where assumptions and major sources of estimation uncertainty at the end of the reporting period that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year, or areas involving judgements that have most effect on the amounts recognised in the financial statements are disclosed in Note 4 to the financial statements.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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

**3.1 Basis of consolidation**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of consolidation (Continued)****(a) Subsidiaries and business combination**

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

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

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

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

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

The accounting policy for goodwill is set out in Note 3.8(a) to the financial statements.

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

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

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

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.1 Basis of consolidation (Continued)****(a) Subsidiaries and business combination (Continued)**

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

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

**(b) Associates**

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

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

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

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

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

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

**(c) Transactions eliminated on consolidation**

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

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.2 Separate financial statements**

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

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

**3.3 Foreign currency transactions and operations****(a) Translation of foreign currency transactions**

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

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

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

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

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

**(b) Translation of foreign operations**

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

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



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.3 Foreign currency transactions and operations (Continued)****(b) Translation of foreign operations (Continued)**

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

**3.4 Financial instruments**

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

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15 *Revenue from Contracts with Customers*.

**(a) Subsequent measurement**

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

**(i) Financial assets**

For the purposes of subsequent measurement, financial assets are classified as:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business model for managing those assets changes.



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.4 Financial instruments (Continued)****(a) Subsequent measurement (Continued)**

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

**(i) Financial assets (Continued)**Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (FVPL)**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.4 Financial instruments (Continued)****(a) Subsequent measurement (Continued)**

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

**(i) Financial assets (Continued)**Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

**(ii) Financial liabilities**

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.4 Financial instruments (Continued)****(b) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due 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 that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

**(c) Derecognition**

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive the cash flows from the financial asset expire, or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

**(d) Offsetting of financial statements**

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

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.5 Property, plant and equipment****(a) Recognition and measurement**

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

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

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

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

**(b) Subsequent costs**

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

**(c) Depreciation**

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

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

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

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

**(d) Derecognition**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases****(a) Definition of lease**Accounting policies applied from 1 December 2019

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

Accounting policies applied until 30 November 2019

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

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

**(b) Lessee accounting**Accounting policies applied from 1 December 2019

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group and the Company expect to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases (Continued)****(b) Lessee accounting (Continued)**

Accounting policies applied from 1 December 2019 (Continued)

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives; and
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Variable lease payments that do not depend on an index or a rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "other expenses" in the statements of comprehensive income.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense 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.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.6 Leases (Continued)****(b) Lessee accounting (Continued)**Accounting policies applied until 30 November 2019

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

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

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

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

**(c) Lessor accounting**Accounting policies applied from 1 December 2019

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

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

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

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 to allocate the consideration under the contract to each component.

Accounting policies applied until 30 November 2019

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

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.7 Investment properties**

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

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

No depreciation is provided on freehold land. Investment properties under construction are not depreciated as these assets are not yet available for use.

All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Leasehold land	94 years
Building	2%

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

**3.8 Goodwill and other intangible assets****(a) Goodwill**

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

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

**(b) Research and development costs**

Research costs are recognised in profit or loss as incurred.

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

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



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.8 Goodwill and other intangible assets (Continued)****(b) Research and development costs (Continued)**

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

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

**(c) Amortisation**

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

	<b>Method</b>	<b>Useful life (years)</b>
Development costs	Straight-line	3 - 5

**3.9 Contract assets/(liabilities)**

A contract asset is recognised for the excess of revenue recognised over progress billings and deposits or advances received from customers.

When progress billings and deposits or advances received from customers exceed revenue recognised, the Group recognises a contract liability for the difference.

The policy for the recognition and measurement of impairment losses on contract assets is in accordance with Note 3.12(a) to the financial statements.

**3.10 Inventories**

Inventories are measured at the lower of cost and net realisable value.

Cost is determined on the first-in-first-out basis. Cost includes the actual cost of materials purchased and incidentals in bringing the inventories into store.

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

**3.11 Cash and cash equivalents**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.12 Impairment of assets****(a) Impairment of financial assets and contract assets**

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income ("FVOCI"), contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in *MFRS 9 Financial Instruments* which is related to the accounting for expected credit losses on the financial assets. Expected credit loss is the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables and contract assets, the Group and the Company apply the simplified approach permitted by *MFRS 9* to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.12 Impairment of assets (Continued)****(a) Impairment of financial assets and contract assets (Continued)**

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default of past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

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

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.12 Impairment of assets (Continued)****(b) Impairment of non-financial assets (Continued)**

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

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

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

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

**3.13 Share capital****Ordinary shares**

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

**3.14 Employee benefits****(a) Short-term employee benefits**

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

**(b) Defined contribution plans**

As required by law, the Group and the Company contribute to the Employees Provident Fund, the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

## NOTES TO THE FINANCIAL STATEMENTS

[CONTINUED]

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.15 Provisions

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

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

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

#### 3.16 Revenue and other income

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group and the Company measure revenue at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract, or forms a part of the existing contracts.

#### Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.16 Revenue and other income (Continued)****(a) Sale of goods**

Revenue from the sale of goods are recognised at a point in time when controls of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term ranging from 30 days to 90 days which is consistent with market practice, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Revenue is recognised base on the price specified in the contract, net of any discounts.

Certain products sold are provided with warranty of up to 3 years to the customers.

**(b) Infrastructure project contracts**

Contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the assets is transferred over time as the Group creates (or enhance) an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of project costs incurred for work performed to date bear to the estimated total project costs (an input method).

Sales are made with a credit term of 30 days to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers for contracts based on achieving a series of performance-related milestones.

The Group and the Company recognised a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group and the Company recognise a contract liability for the difference.

Defect liability period of 2 years is given to the customers.

**(c) Interest income**

Interest income is recognised using the effective interest method.

**(d) Management fee**

Management fee income is recognised upon performance of services satisfied over time.

Management fee are made with a credit term of 30 days, therefore, no element of financing is deemed present.

**(e) Distribution income**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.16 Revenue and other income (Continued)****(f) Dividend income**

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

**(g) Rental income**

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

**3.17 Borrowing costs**

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

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

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

**3.18 Income tax**

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

**(a) Current tax**

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

**(b) Deferred tax**

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

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****3.18 Income tax (Continued)****(b) Deferred tax (Continued)**

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

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

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

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

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

**(c) Sales and services tax**

Revenue, expenses, and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales and services tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

**3.19 Earnings per share**

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

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



## NOTES TO THE FINANCIAL STATEMENTS

[CONTINUED]

### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 3.20 Operating segments

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

#### 3.21 Fair value measurement

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

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

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

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

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

#### 3.22 Contingencies

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

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

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

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

**(a) Provision for warranty costs**

The Group uses "best estimate" as the basis for measuring the estimated liability on its products still under warranty at the reporting date. The provision is computed based on actual sales. Management evaluates the estimate based on the Group's historical experience and other inputs or assumptions, current developments and future events that are reasonably possible under the particular circumstances. Possible changes in the estimate could result in revisions to the provision amount.

The carrying amount of the Group's provision is disclosed in Note 26 to the financial statement.

**(b) Infrastructure project contract revenue**

The Group recognised infrastructure project contract revenue in profit or loss by using the progress towards complete satisfaction of the performance obligation. The progress towards complete satisfaction of the performance obligation is determined by the proportion of costs incurred for work performed to date bear to the estimated total project costs.

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation, the extent of the costs incurred and the estimated total project revenue and costs. In making the judgement, the Group evaluates based on past experience.

The carrying amount of revenue is disclosed in Note 29 to the financial statements.

**(c) Classification between investment properties and property, plant and equipment**

Certain property comprises a portion that is held to earn rental income or capital appreciation, or for both, whilst the remaining portion is held for use in the production or supply of goods and services or for administrative purposes. If the portion held for rental and/or capital appreciation could be sold separately (or leased out separately as a finance lease), the Group and the Company account for that portion as an investment property. If the portion held for rental and/or capital appreciation could not be sold or leased out separately, it is classified as an investment property only if an insignificant portion of the property is held for use in the production or supply of goods and services or for administrative purposes. Management uses judgement to determine whether any ancillary services are of such significance that a property does not qualify as an investment property.

The carrying amount of property, plant and equipment and investment properties are disclosed in Note 5 and Note 10 to the financial statements respectively.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 5. PROPERTY, PLANT AND EQUIPMENT

Group 2020 Cost	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Right-of-use assets RM	Total RM
At 1 December 2019								
- As previously reported	40,000	122,365	1,614,586	3,738,722	2,910,427	-	-	8,426,100
- Effect of adoption of MFRS 16	-	-	-	-	(822,589)	-	822,589	-
Adjusted at 1 December 2019	40,000	122,365	1,614,586	3,738,722	2,087,838	-	822,589	8,426,100
Additions	11,800,588	8,067,721	375,239	562,945	381,144	1,556,756	-	22,744,393
Written off	-	-	-	(4,919)	-	-	-	(4,919)
Exercise of option to purchase	-	-	-	-	227,758	-	(227,758)	-
Disposal of a subsidiary	-	-	(41,250)	(211,417)	(9,000)	-	-	(261,667)
At 30 November 2020	11,840,588	8,190,086	1,948,575	4,085,331	2,687,740	1,556,756	594,831	30,903,907

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2020	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Capital work-in-progress RM	Right-of-use assets RM	Total RM
At 1 December 2019	-	40,414	1,274,277	3,188,175	1,751,794	-	-	6,254,660
Accumulated depreciation and impairment loss	-	-	-	-	(422,427)	-	422,427	-
	-	-	-	165,683	-	-	-	165,683
Adjusted at 1 December 2019	-	40,414	1,274,277	3,353,858	1,329,367	-	422,427	6,420,343
Depreciation charge for the financial year	-	109,770	337,683	105,892	267,975	-	156,266	977,586
Written off	-	-	-	(4,919)	-	-	-	(4,919)
Exercise of option to purchase Disposal of a subsidiary	-	-	-	-	219,281	-	(219,281)	-
Impairment loss	-	-	(10,092)	(210,184)	(6,900)	-	-	(227,176)
	-	-	-	4,392	-	-	-	4,392
At 30 November 2020	-	109,770	327,591	(104,819)	480,356	-	(63,015)	749,883
Accumulated depreciation	-	150,184	1,601,868	3,078,964	1,809,723	-	359,412	7,000,151
Accumulated impairment loss	-	-	-	170,075	-	-	-	170,075
	-	150,184	1,601,868	3,249,039	1,809,723	-	359,412	7,170,226
<b>Net carrying amount</b>								
At 30 November 2020	11,840,588	8,039,902	346,707	836,292	878,017	1,556,756	235,419	23,733,681

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2019 Cost	Freehold land		Buildings		Plant, machinery and tools		Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation		Motor vehicles		Total RM
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	
At 1 December 2018	40,000	122,365	1,646,860	3,689,510	2,865,577	8,364,312					
Additions	-	-	66,277	65,800	340,709	472,786					
Disposals	-	-	-	-	(295,859)	(295,859)					
Written off	-	-	(98,551)	(16,588)	-	(115,139)					
At 30 November 2019	40,000	122,365	1,614,586	3,738,722	2,910,427	8,426,100					
<b>Accumulated depreciation and impairment loss</b>											
At 1 December 2018	-	38,214	959,954	3,083,713	1,549,408	5,631,289					
Accumulated depreciation	-	-	-	165,683	-	165,683					
Accumulated impairment loss	-	38,214	959,954	3,249,396	1,549,408	5,796,972					
Depreciation charge for the financial year	-	2,200	412,704	120,273	407,697	942,874					
Disposals	-	-	-	-	(205,311)	(205,311)					
Written off	-	-	(98,381)	(15,811)	-	(114,192)					
At 30 November 2019	-	2,200	314,323	104,462	202,386	623,371					
Accumulated depreciation	-	40,414	1,274,277	3,188,175	1,751,794	6,254,660					
Accumulated impairment loss	-	-	-	165,683	-	165,683					
At 30 November 2019	-	40,414	1,274,277	3,353,858	1,751,794	6,420,343					
<b>Net carrying amount</b>											
At 30 November 2019	40,000	81,951	340,309	384,864	1,158,633	2,005,757					

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2020 Cost	Freehold land RM	Building RM	Furniture, fixture, fittings, office and computer equipment and electrical installation RM	Renovation RM	work-in-progress RM	Capital RM	Total RM
At 1 December 2019	–	–	435,414	3,785	–	–	439,199
Additions	11,800,588	8,067,721	96,813	–	1,556,756	–	21,521,878
Written off	–	–	(4,919)	–	–	–	(4,919)
At 30 November 2020	11,800,588	8,067,721	527,308	3,785	1,556,756	–	21,956,158
<b>Accumulated depreciation and impairment loss</b>							
At 1 December 2019	–	–	–	–	–	–	–
Accumulated depreciation	–	–	406,559	3,784	–	–	410,343
Accumulated impairment loss	–	–	7,049	–	–	–	7,049
Depreciation charge for the financial year	–	107,570	22,376	–	–	–	129,946
Written off	–	–	(4,919)	–	–	–	(4,919)
At 30 November 2020	–	107,570	431,065	3,784	–	–	542,419
<b>Net carrying amount</b>							
At 30 November 2020	11,800,588	7,960,151	96,243	1	1,556,756	–	21,413,739

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company 2019 Cost	Furniture, fixture, fittings, office and computer equipment and electrical installation RM	Renovation RM	Total RM
At 1 December 2018	421,344	3,785	425,129
Additions	14,070	–	14,070
At 30 November 2019	435,414	3,785	439,199
<b>Accumulated depreciation and impairment loss</b>			
At 1 December 2018			
Accumulated depreciation	390,619	2,279	392,898
Accumulated impairment loss	7,049	–	7,049
Depreciation charge for the financial year	397,668	2,279	399,947
At 30 November 2019	413,608	3,784	417,392
<b>Net carrying amount</b> At 30 November 2019	21,806	1	21,807

Included in property, plant and equipment of the Group are motor vehicles held under hire purchase arrangement as follows:

Cost	Group 2019 RM
Motor vehicles	777,374
<b>Net carrying amount</b> Motor vehicles	452,439

During the financial year, the property, plant and equipment acquired were satisfied as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash payments	22,744,393	387,786	21,521,878	14,070
Hire purchase arrangement	–	85,000	–	–
	22,744,393	472,786	21,521,878	14,070

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)****Right-of-use assets**

Information about leases for which the Group is lessee is presented below:

<b>Group</b>	<b>Motor vehicles</b>
<b>Net carrying amount</b>	<b>RM</b>
At 1 December 2019	400,162
Exercise of option to purchase	(8,477)
Depreciation	(156,266)
<hr/>	
At 30 November 2020	235,419

The Group leases motor vehicles with remaining lease term of 1 to 3 years, and have options to purchase the assets at the end of the contract term.

**6. INVESTMENT IN SUBSIDIARIES**

	<b>Company</b>	
	<b>2020</b>	<b>2019</b>
	<b>RM</b>	<b>RM</b>
Unquoted share, at cost	19,772,662	19,772,662
Less: Accumulated impairment loss	(1,756,587)	(1,756,587)
<hr/>		
At 30 November	18,016,075	18,016,075

Details of the subsidiaries are as follows:

<b>Name of Company</b>	<b>Principal Place of Business/ Country of Incorporation</b>	<b>Effective Equity Interest</b>		<b>Principal Activities</b>
		<b>2020</b>	<b>2019</b>	
<b>Held by the Company</b>				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Research and development of hardware, software applications and its related services. Manufacturing, assembling, installation and sale of telematics and navigation products, electronics, automotive and telecommunication related products and services.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Metrarama Sdn. Bhd.	Malaysia	100%	100%	Property investment, investment holding and trading business.



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**6. INVESTMENT IN SUBSIDIARIES (CONTINUED)**

Details of the subsidiaries are as follows (Continued):

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2020	2019	
<b>Held by the Company (Continued)</b>				
Amtel Resources Sdn. Bhd.	Malaysia	100%	100%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
<b>Held through Amtel Cellular Sdn. Bhd.</b>				
Amnavi Sdn. Bhd.	Malaysia	100%	100%	Geographical Information System (GIS) and related products. Integration, implementation, maintenance and provision of technical services relating to the products.
Amtel Pte. Ltd.#	Singapore	100%	100%	Developing and maintaining of map data source for navigation and web based portal application.
Amtel Intelligence Sdn. Bhd.	Malaysia	100%	–	Manufacturing, assembling, installation and distribution of automobile products and related accessories and information and communication technology products.
<b>Held through Amtel Resources Sdn. Bhd.</b>				
WAMM Bersekutu Sdn. Bhd. <i>(formerly known as Amtel Networks Sdn. Bhd.)*</i>	Malaysia	–	100%	Contractors for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil work, trading and distribution of telematics and information and communication technology products and services.

# Audited by auditors other than Baker Tilly Monteiro Heng PLT.

\* Refer to 6(a) to the financial statements for further details.

**(a) Disposal of WAMM Bersekutu Sdn. Bhd. ("WAMM") (formerly known as Amtel Networks Sdn. Bhd.)**

During the financial year, Amtel Resources Sdn. Bhd. ("ARSB"), a wholly owned subsidiary of the Company, disposed of its 68% equity interest in WAMM, a subsidiary of ARSB for a total cash consideration of RM68. ARSB classified its remaining 32% equity interest in WAMM as associate given that ARSB has significant influence over the financial and operating policy decision of WAMM.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

## (a) Disposal of WAMM Bersekutu Sdn. Bhd. ("WAMM") (formerly known as Amtel Networks Sdn. Bhd.) (Continued)

## (i) Summary of the effects of disposal of WAMM

	Group 2020 RM
<b>Recognised:</b>	
Cash consideration received	68
Fair value of retained investment treated as an associate	160
	228
<b>Derecognised:</b>	
Identifiable net assets at disposal date:	
Property, plant and equipment	(34,491)
Trade and other receivables	(69,591)
Tax asset	(24,755)
Cash and bank balances, deposits	(100,001)
Trade and other payables	227,084
Provision	1,255
	(271)

## (ii) Effects of disposal on cash flows:

	Group 2020 RM
Consideration received in cash	68
Less: Cash and cash equivalents of subsidiary disposed	(20,148)
	(20,080)

## (b) Incorporation of a subsidiary

On 13 January 2020, Amtel Cellular Sdn. Bhd. ("AMCSB"), a wholly owned subsidiary of the Company incorporated a new subsidiary namely Amtel Intelligence Sdn. Bhd. ("AISB") with the subscription of 2 ordinary shares representing the entire share capital of AISB for a cash consideration of RM2.

On 16 June 2020, AISB issued 499,998 new ordinary shares at a price of RM1 per ordinary share for working capital purposes. AMCSB subscribed for the entire additional new ordinary shares for a total cash consideration of RM499,998. As a result, AMCSB held a total of 500,000 ordinary shares in AISB.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 7. INVESTMENT IN ASSOCIATES

	2020 RM	Group 2019 RM
<b>Unquoted shares</b>		
<b>At cost</b>		
At beginning of the financial year	202,360	202,360
Additional investments	48,160	–
At end of the financial year	250,520	202,360
<b>Share of results of associates</b>		
At beginning of the financial year	1,013,931	875,343
Current year share of results	308,146	322,338
Dividend received	–	(183,750)
At end of the financial year	1,322,077	1,013,931
	1,572,597	1,216,291

Reconciliation of share of results of associates recognised in investment in associates and statement of comprehensive income is as follows:

	2020 RM	Group 2019 RM
As per investment in associates	308,146	322,338
Elimination/(Reversal) of share of unrealised profit on sales by associates	14,583	23,376
As per statement of comprehensive income	322,729	345,714

Details of the associates are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2020	2019	
<b>Held through Amtel Cellular Sdn. Bhd.</b>				
Milan Utama Sdn. Bhd. ("MUSB")	Malaysia	35%	35%	Trading and distribution of telecommunication, telematics and information & communication technology products, installation & distribution of vehicle products and project implementation.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**7. INVESTMENT IN ASSOCIATES (CONTINUED)**

Details of the associates are as follows (Continued):

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest		Principal Activities
		2020	2019	
<b>Held through Amtel Resources Sdn. Bhd.</b>				
WAMM Bersekutu Sdn. Bhd. (formerly known as Amtel Networks Sdn. Bhd.) ("WAMM")	Malaysia	32%	*	Contractors for installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil work, trading and distribution of telematics and information and communication technology products and services.

\* Refer to 6(a) to the financial statements for further details.

**(a) Subscription for new ordinary shares in WAMM**

On 13 December 2019, WAMM issued 150,000 new ordinary shares at an issue price of RM1 per ordinary share for working capital purposes. ARSB subscribed for 48,000 new ordinary shares representing 32% of the enlarged issued and paid up share capital for a total cash consideration of RM48,000. As a result, ARSB's equity interest in WAMM remained at 32%.

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

	MUSB RM	WAMM RM	Total RM
<b>Group 2020</b>			
<b>Assets and liabilities</b>			
Non-current assets	823,591	33,751	857,342
Current assets	5,543,330	393,107	5,936,437
Current liabilities	(2,129,747)	(146,897)	(2,276,644)
Net assets	4,237,174	279,961	4,517,135
<b>Results</b>			
Revenue	6,397,880	382,092	6,779,972
Profit for the financial year	762,052	129,462	891,514
Total comprehensive income	762,052	129,462	891,514

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 7. INVESTMENT IN ASSOCIATES (CONTINUED)

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

	<b>MUSB RM</b>
<b>Group 2019</b>	
<b>Assets and liabilities</b>	
Non-current assets	201,574
Current assets	5,074,069
Current liabilities	(1,800,526)
<hr/>	
Net assets	3,475,117
<hr/>	
<b>Results</b>	
Revenue	8,293,817
Profit for the financial year	920,967
Total comprehensive income	920,967
<hr/>	

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

	<b>MUSB RM</b>	<b>WAMM RM</b>	<b>Total RM</b>
<b>Group 2020</b>			
Share of net assets of the Group, representing carrying amount in the statement of financial position	1,483,010	89,587	1,572,597
<hr/>			
Share of results of the Group for the financial year	266,718	41,428	308,146
<hr/>			
		<b>MUSB RM</b>	<b>Total RM</b>
<b>Group 2019</b>			
Share of net assets of the Group, representing carrying amount in the statement of financial position		1,216,291	1,216,291
<hr/>			
Share of results of the Group for the financial year		322,338	322,338
<hr/>			
Dividend from associate		183,750	183,750
<hr/>			

NOTES TO THE  
FINANCIAL STATEMENTS  
[CONTINUED]

**8. INTANGIBLE ASSETS**

	Development costs RM	Total RM
<b>Group Cost</b>		
At the end/beginning of the financial year	2,155,184	2,155,184
<b>Accumulated amortisation</b>		
At the end/beginning of the financial year	2,155,183	2,155,183
<b>Net carrying amount</b>		
At the end/beginning of the financial year	1	1

**9. OTHER INVESTMENTS**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Non-current</b>				
<b>At fair value</b>				
- Transferable club membership	250,000	250,000	-	-
<b>Current</b>				
<b>At fair value</b>				
- Fixed income funds	6,093,618	21,195,407	45,453	9,264,209
- Quoted equity securities	1,733,000	-	-	-
	7,826,618	21,195,407	45,453	9,264,209

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

Investment in fixed income funds are redeemable upon one day notice (2019: one day notice).

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 10. INVESTMENT PROPERTIES

	Freehold land RM	Building RM	Under construction RM	Right-of-use asset RM	Total RM
<b>Group</b>					
<b>2020 Cost</b>					
At 1 December 2019	168,717	–	1,485,000	–	1,653,717
Additions	–	722,957	202,500	498,875	1,424,332
At 30 November 2020	168,717	722,957	1,687,500	498,875	3,078,049
<b>Accumulated depreciation</b>					
At 1 December 2019	–	–	–	–	–
Depreciation for the financial year	–	6,814	–	2,502	9,316
At 30 November 2020	–	6,814	–	2,502	9,316
<b>Net carrying amount</b>					
At 30 November 2020	168,717	716,143	1,687,500	496,373	3,068,733
<b>Fair value</b>					
At 30 November 2020	422,080	882,001	*	611,332	
<b>2019 Cost</b>					
At 1 December 2018	168,717	–	–	–	168,717
Additions	–	–	1,485,000	–	1,485,000
At 30 November 2019	168,717	–	1,485,000	–	1,653,717
<b>Fair value</b>					
At 30 November 2019	369,320	–	*	–	

\* The Group determines that the fair value of investment properties under construction could not be reliably measured.

During the financial year, the direct operating expenses arising from investment properties amounted to RM10,034 (2019: RM819) and the investment properties did not generate any rental income.

Fair value of the investment properties are categorised as level 3 fair value. The fair value of the investment properties was derived based on the relevant information available through internal research.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**10. INVESTMENT PROPERTIES (CONTINUED)****Right-of-use asset**

Information about lease for which the Group is lessee is presented below:

<b>Group Net carrying amount</b>	<b>Leasehold land RM</b>
At 1 December 2019	–
Additions	498,875
Depreciation	(2,502)
<hr/>	
At 30 November 2020	496,373

The Group leases leasehold land with remaining lease term of 93 years.

**11. DEFERRED TAX ASSETS/(LIABILITIES)**

Deferred tax assets/(liabilities) relate to the following:

	<b>2020 RM</b>	<b>Group 2019 RM</b>
<b>Deferred tax assets</b>		
At beginning of the financial year	445,199	–
Recognised in profit or loss (Note 32)	(86,234)	445,199
<hr/>		
At end of the financial year	358,965	445,199
<hr/>		
<b>Deferred tax liabilities</b>		
At beginning of the financial year	(86,873)	(141,984)
Recognised in profit or loss (Note 32)	(2,554)	55,111
<hr/>		
At end of the financial year	(89,427)	(86,873)



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 11. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

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

	Group	
	2020 RM	2019 RM
<b>Deferred tax assets</b>		
Differences between the carrying amount of property, plant and equipment and its tax base	55,225	150,537
Deductible temporary differences in respect of expenses	303,740	294,662
	358,965	445,199
<b>Deferred tax liabilities</b>		
Differences between the carrying amount of property, plant and equipment and its tax base	(98,237)	(91,447)
Deductible temporary differences in respect of expenses	8,810	4,574
	(89,427)	(86,873)

The deferred tax assets and liabilities are not available to set off as they arise from different taxable entities of the Group.

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Unutilised tax losses	6,563,213	5,700,276	3,952,378	3,390,193
Unabsorbed capital allowances	1,171,541	1,120,786	1,155,688	1,104,933
Deductible temporary differences in respect of expenses	59,400	44,245	50,291	44,245
Differences between the carrying amounts of property, plant and equipment and their tax base	–	24,813	–	9,930
	7,794,154	6,890,120	5,158,357	4,549,301

The unutilised tax losses which are available for offset against future taxable profits of the Company and of the subsidiaries will expire in the following financial years:

	Group 2020 RM	Company 2020 RM
2025	4,973,791	2,704,251
2026	726,485	685,942
2027	862,937	562,185
	6,563,213	3,952,378

NOTES TO THE  
FINANCIAL STATEMENTS  
[CONTINUED]

## 12. INVENTORIES

	2020 RM	Group 2019 RM
Manufactured goods and parts	2,705,177	3,333,218
Work in progress	1,631,893	516,700
	4,337,070	3,849,918

During the financial year, inventories of the Group recognised as cost of sales amounted to RM25,752,694 (2019: RM32,331,880).

The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of write down of inventories to net realisable value was RM518,749 (2019: RM16,356), in view of the decline in the selling price of inventories. Furthermore, the Group recognised as an expense in cost of sales during the financial year in respect of written off to inventories amounted RM55,376 (2019: RM7,777).

## 13. TRADE RECEIVABLES

		2020 RM	Group 2019 RM
Trade receivables	(a)	9,830,980	8,071,304
Less: Allowance for impairment loss		–	(10,000)
		9,830,980	8,061,304
Amount due from an associate	(b)	78,614	72,720
		9,909,594	8,134,024

### (a) Trade receivables

The Group's normal trade credit terms extended to customers ranging from 30 days to 90 days (2019: 30 days to 90 days). Other credit terms are assessed and approved on a case by case basis.

#### Receivables that are impaired

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	2020 RM	Group 2019 RM
At beginning of the financial year	10,000	368,289
Written off	–	(358,289)
Disposal of a subsidiary	(10,000)	–
At end of the financial year	–	10,000

The information about the credit exposures are disclosed in Note 37(b)(i) to the financial statements.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**13. TRADE RECEIVABLES (CONTINUED)****(b) Amount due from an associate**

The amount due from an associate was subjected to normal trade terms ranging from 30 days to 90 days (2019: 30 days to 90 days).

**14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

		Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Other receivables		207,422	139,960	8,266	6,972
Less: Allowance for impairment loss		(26,939)	(26,939)	(6,180)	(6,180)
	(a)	180,483	113,021	2,086	792
Deposits	(b)	235,732	2,202,735	54,560	1,942,560
GST refundable		95,888	97,070	–	1,182
Prepayments	(c)	612,407	269,543	11,132	10,368
		1,124,510	2,682,369	67,778	1,954,902

**(a) Other receivables**

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
At end/beginning of the financial year	26,939	26,939	6,180	6,180

**(b) Deposits**

Included in deposits of the Group and the Company in the previous financial year was RM2,006,000 and RM1,888,000 respectively being deposits paid to acquire properties.

**(c) Prepayments**

Included in prepayments of the Group are amounts of RM496,089 (2019: RM172,970) being advances made to suppliers for purchase of inventories and equipment.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**15. CONTRACT ASSETS**

The Group's contract assets relating to infrastructure project contracts are summarised as follows:

	<b>2020</b>	<b>Group</b>
	<b>RM</b>	<b>2019</b>
		<b>RM</b>
Contract assets	5,309,007	1,411,246
Contract liabilities	(455,853)	(90,431)
<b>Total contract assets</b>	<b>4,853,154</b>	<b>1,320,815</b>
	<b>Contract</b>	<b>Contract</b>
	<b>assets</b>	<b>liabilities</b>
	<b>increase/</b>	<b>increase/</b>
	<b>(decrease)</b>	<b>(decrease)</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b>2020</b>		
Increase due to progress billings or cash received excluding amount recognised as revenue during the year	–	365,422
Increase due to unbilled revenue recognised during the year	4,633,991	–
Transfers from contract assets recognised at the beginning of the year to receivables	(736,230)	–
<b>2019</b>		
Increase due to progress billings or cash received excluding amount recognised as revenue during the year	–	90,431
Increase due to unbilled revenue recognised during the year	1,069,622	–
Transfers from contract assets recognised at the beginning of the year to receivables	(4,724,178)	–

**16. TAX ASSETS**

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

**17. AMOUNT OWING BY/(TO) SUBSIDIARIES**

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

**18. AMOUNT OWING BY/(TO) ASSOCIATES**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**19. CASH DEPOSITS WITH LICENSED BANKS**

Cash deposits with licensed banks of the Group bear effective interest at rates ranging from 1.70% to 3.09% (2019: 2.95% to 3.35%) per annum as at the financial year end with maturity period ranging from 30 days to 365 days (2019: 30 days to 365 days).

Included in the deposits of the Group is an amount of RM8,339,027 (2019: RM7,742,591) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 27 to the financial statements.

**20. CASH AND BANK BALANCES**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cash at banks and in hand	15,801,436	13,750,069	5,683,053	2,966,337

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

	Group	
	2020 RM	2019 RM
United States Dollar	1,165,499	2,234
Renminbi	424,265	526,820
Singapore Dollar	5,462	66,754

**21. SHARE CAPITAL**

	Group/Company			
	Number of ordinary shares		Amounts	
	2020 units	2019 units	2020 RM	2019 RM
<b>Issued and fully paid up:</b>				
At beginning of the financial year	54,197,066	54,197,066	32,301,203	32,301,203
Issued during the financial year	10,839,000	–	7,847,436	–
At end of the financial year	65,036,066	54,197,066	40,148,639	32,301,203

The Companies Act 2016 abolished the concept of authorised share capital and par value of share capital.

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

During the financial year, the Company issued 10,839,000 new ordinary shares at an issue price of RM0.72 per ordinary share via private placement for working capital purposes.

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**22. RESERVES**

		Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Fair value reserve of financial assets at FVOCI	(a)	159,000	159,000	–	–
Foreign exchange reserve	(b)	38,023	38,179	–	–
Retained earnings		21,587,017	17,526,066	4,156,616	2,880,734
		21,784,040	17,723,245	4,156,616	2,880,734

**(a) Fair value reserve of financial assets at FVOCI**

This reserve comprises the cumulative net change in the fair value of financial assets at fair value through other comprehensive income (FVOCI) until the investments are derecognised or impaired.

**(b) Foreign exchange reserve**

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

**23. LEASE/FINANCE LEASE PAYABLES**

	Group	
	2020 RM	2019 RM
Future minimum lease payments	256,115	398,537
Less: Future finance charges	(16,618)	(31,775)
Total present value of minimum lease payments	239,497	366,762

**Current**

Payable within 1 year

Future minimum lease payments	110,136	142,704
Less: Future finance charges	(9,929)	(15,897)
Present value of minimum lease payments	100,207	126,807

**Non-current**

Payable after 1 year but not later than 5 years

Future minimum lease payments	145,979	255,833
Less: Future finance charges	(6,689)	(15,878)
Present value of minimum lease payments	139,290	239,955
Total present value of minimum lease payments	239,497	366,762

The lease/finance lease payables of the Group bear effective interest at rates ranging from 4.74% to 6.32% (2019: 4.74% to 6.32%) per annum.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**24. TRADE PAYABLES**

The normal trade credit term granted by the trade payables to the Group ranges from 30 days to 90 days (2019: 30 days to 90 days).

Included in trade payables of the Group are amounts of RM2,922,740 (2019: RM1,795,835) related to accrued project costs.

Included in trade payables of the Group is an amount owing to an associate of RM2,542,000 (2019: RM1,280,000) which is on normal trade credit term.

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

	2020 RM	Group 2019 RM
United States Dollar	505,256	419,427
Renminbi	1,010	133,015
Singapore Dollar	36,401	–

**25. OTHER PAYABLES, DEPOSITS AND ACCRUALS**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Other payables	496,707	183,802	16,433	5,323
Deposits	176,135	11,100	165,035	–
SST payable	53,725	19,349	–	110
Accruals	1,790,752	1,825,253	445,911	333,343
	2,517,319	2,039,504	627,379	338,776

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**26. PROVISIONS**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Provision for warranty costs</b>				
At beginning of the financial year	906,695	436,280	–	–
Addition	396,573	497,329	–	–
Utilisation	(48,858)	(26,570)	–	–
Reversal	(48,766)	(344)	–	–
At end of the financial year	1,205,644	906,695	–	–
<b>Provision for employee benefits</b>				
At beginning of the financial year	104,888	98,643	44,245	38,938
Addition	183,822	138,364	58,777	54,507
Utilisation	(124,171)	(132,119)	(36,388)	(49,200)
Disposal of a subsidiary	(1,255)	–	–	–
At end of the financial year	163,284	104,888	66,634	44,245
	1,368,928	1,011,583	66,634	44,245

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

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

**27. BANK BORROWINGS**

	Group	
	2020 RM	2019 RM
<b>Current</b>		
Bank overdrafts	389,350	136,444

The bank overdrafts facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 3.27% to 9.15% (2019: 4.30% to 9.15%) per annum, secured and supported by the following:

- cash deposits with licensed banks of certain subsidiaries; and
- corporate guarantees of the Company.



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**28. CASH AND CASH EQUIVALENTS**

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

	Note	Group		Company	
		2020 RM	2019 RM	2020 RM	2019 RM
Cash at banks and in hand	20	15,801,436	13,750,069	5,683,053	2,966,337
Cash deposits with licensed banks	19	8,372,166	8,922,315	–	–
		24,173,602	22,672,384	5,683,053	2,966,337
Bank overdrafts	27	(389,350)	(136,444)	–	–
		23,784,252	22,535,940	5,683,053	2,966,337
Cash deposits with licensed banks under lien	19	(8,339,027)	(7,742,591)	–	–
		15,445,225	14,793,349	5,683,053	2,966,337

**29. REVENUE**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Revenue from contract customers:</b>				
Sales of goods or services	44,227,052	53,971,914	–	–
Contract revenue	11,515,614	9,197,611	–	–
Management fees	–	–	1,140,000	1,152,000
	55,742,666	63,169,525	1,140,000	1,152,000
<b>Revenue from other sources:</b>				
Dividend income from subsidiaries	–	–	2,268,000	5,424,000
Rental income	298,054	–	321,209	–
	298,054	–	2,589,209	5,424,000
	56,040,720	63,169,525	3,729,209	6,576,000

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 29. REVENUE (CONTINUED)

## (a) Disaggregation of revenue

The Group reports the following major segments: information and communication technology, telecommunications, infrastructure and services and others in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure for disaggregation of revenue, it disaggregates revenue into major products or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

	Information and communication technology RM	Telecommunications, infrastructure and services RM	Total RM
<b>Group 2020</b>			
<b>Major goods or services:</b>			
Sales of goods or services	44,227,052	–	44,227,052
Contract revenue	–	11,515,614	11,515,614
	44,227,052	11,515,614	55,742,666
<b>Timing of revenue recognition:</b>			
At a point in time	44,227,052	–	44,227,052
Over time	–	11,515,614	11,515,614
	44,227,052	11,515,614	55,742,666
<b>Group 2019</b>			
<b>Major goods or services:</b>			
Sales of goods or services	53,971,914	–	53,971,914
Contract revenue	–	9,197,611	9,197,611
	53,971,914	9,197,611	63,169,525
<b>Timing of revenue recognition:</b>			
At a point in time	53,632,171	–	53,632,171
Over time	339,743	9,197,611	9,537,354
	53,971,914	9,197,611	63,169,525

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 29. REVENUE (CONTINUED)

## (a) Disaggregation of revenue (Continued)

Company 2020	Others RM	Total RM
<b>Major goods or services:</b>		
Management fee	1,140,000	1,140,000
<hr/>		
<b>Timing of revenue recognition:</b>		
Over time	1,140,000	1,140,000
<hr/>		
<b>2019</b>		
<b>Major goods or services:</b>		
Management fee	1,152,000	1,152,000
<hr/>		
<b>Timing of revenue recognition:</b>		
Over time	1,152,000	1,152,000
<hr/>		

## (b) Transaction price allocated to the remaining performance obligation

The Group and the Company applied the practical expedient in paragraph 121 (a) of MFRS 15 and did not disclose information about remaining performance for contracts that have original expected duration of one year or less.

## 30. COST OF SALES

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Cost of sales of goods or services	33,338,932	41,315,597	–	–
Cost of infrastructure project contracts	9,052,327	6,998,980	–	–
Cost of property management services	–	–	71,715	–
<hr/>				
	42,391,259	48,314,577	71,715	–
<hr/>				

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**31. PROFIT BEFORE TAX**

Other than disclosed elsewhere in the financial statements, the following items have been charged/ (credited) in arriving at profit before tax:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Auditors' remuneration:				
- statutory audit	132,881	137,505	65,000	70,000
- other services	6,000	6,000	6,000	6,000
Depreciation of property, plant and equipment	977,586	942,874	129,946	17,445
Depreciation of investment properties	9,316	-	-	-
Distribution income from fixed income funds	(229,234)	(537,842)	(81,243)	(210,358)
Dividend income	-	-	(2,268,000)	(5,424,000)
Expenses relating to short term lease	373,000	-	98,600	-
Gain on disposal of property, plant and equipment	-	(23,800)	-	-
Fair value gain on other investments	(166,280)	-	-	-
Impairment loss on property, plant and equipment	4,392	-	-	-
Interest expense:				
- lease/finance lease payables	15,165	21,321	-	-
- bank overdrafts	17,799	31,437	-	-
- others	23,328	24,878	-	-
Interest income	(389,090)	(465,272)	(43,526)	(57,528)
Inventories written off	55,376	7,777	-	-
Inventories written down	518,749	15,356	-	-
Loss on disposal of a subsidiary	271	-	-	-
Loss/(Gain) on foreign exchange:				
- realised	28,225	34,080	-	-
- unrealised	(50,016)	15,159	-	-
Net provision for employee benefits	59,651	6,245	22,389	5,307
Net provision of warranty costs	347,807	496,985	-	-
Personnel expenses (including key management personnel):				
- contribution to Employees Provident Fund and social security contribution	399,893	275,933	94,596	121,022
- salaries and others	4,712,820	5,580,714	1,664,066	1,827,025
Property, plant and equipment written off	-	947	-	-
Rental income	(56,400)	(56,400)	(78,000)	(78,000)
Rental of premises	-	336,900	-	102,000
Share of results of associates	(322,729)	(345,714)	-	-
Waiver of amount owing by a subsidiary	-	-	1,300	1,300

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**31. PROFIT BEFORE TAX (CONTINUED)**

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Executive Directors</b>				
- other emoluments	1,293,849	1,937,137	683,600	662,400
- contribution to Employees Provident Fund and social security contribution	91,926	126,235	27,793	43,793
- estimated monetary value of benefit-in-kind	46,450	46,450	31,150	31,150
	1,432,225	2,109,822	742,543	737,343
<b>Non-executive Directors</b>				
- fees	313,500	294,000	279,300	258,000
- other emoluments	11,200	9,200	11,200	9,200
- estimated monetary value of benefit-in-kind	-	17,400	-	-
	324,700	320,600	290,500	267,200
Total directors' remuneration	1,756,925	2,430,422	1,033,043	1,004,543

**32. INCOME TAX EXPENSE**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Current tax expense:</b>				
Malaysian income tax:				
- Current year	1,668,967	2,075,106	-	-
- (Over)/Under provision in prior financial year	(235,640)	17,092	-	-
	1,433,327	2,092,198	-	-
Real property gain tax:				
- Over provision in prior financial year	-	(123,641)	-	-
	1,433,327	1,968,557	-	-

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 32. INCOME TAX EXPENSE (CONTINUED)

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Deferred tax expense (Note 11):</b>				
- Relating to reversal of temporary differences	(44,019)	(222,307)	-	-
- Under/(Over) provision in prior financial year	132,807	(278,003)	-	-
	88,788	(500,310)	-	-
Tax expense recognised in profit or loss	1,522,115	1,468,247	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2019: 24%) of the estimated assessable profit for the financial year.

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Profit before tax	5,583,066	6,296,585	1,275,882	4,152,646
Tax at the Malaysian statutory income tax rate of 24% (2019: 24%)	1,339,936	1,511,180	306,212	996,635
Effect of different tax rate in foreign jurisdictions	(73,121)	(18,208)	-	-
Tax effect of non-taxable income	(124,898)	(202,730)	(574,265)	(1,366,053)
Tax effect of non-deductible expenses	266,063	223,423	121,880	23,205
Deferred tax assets not recognised during the financial year	216,968	367,792	146,173	346,213
Utilisation of deferred tax assets not previously recognised	-	(28,658)	-	-
(Over)/Under provision in prior financial year:				
- current tax expense	(235,640)	17,092	-	-
- deferred tax expense	132,807	(278,003)	-	-
- real property gain tax	-	(123,641)	-	-
Income tax expense	1,522,115	1,468,247	-	-

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**33. EARNINGS PER SHARE****(a) Basic earnings per share**

Basic earnings per share of the Group is calculated based on the profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue during the financial year:

	2020 RM	Group 2019 RM
Profit for the financial year attributable to owners of the Company	4,060,951	4,828,338
Weighted average number of shares (unit) #	83,161,329	81,295,599
Basic earnings per share (sen) #	4.88	5.94

# Restrospectively adjusted following the completion of bonus issue of shares on 24 February 2021 as disclosed in Note 41 to the financial statements.

**(b) Diluted earnings per share**

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

**34. RELATED PARTY DISCLOSURES****(a) Identity of related parties**

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

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

**(b) Related party transactions and balances**

The transactions with subsidiaries are as follows:

	2020 RM	Company 2019 RM
Dividend received/receivable from subsidiaries	(2,268,000)	(5,424,000)
Management fees received/receivable from subsidiaries	(1,140,000)	(1,152,000)
Rental of premises received/receivable from a subsidiary	(95,155)	(72,000)
Waiver of amount owing by subsidiaries	1,300	1,300

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**34. RELATED PARTY DISCLOSURES (CONTINUED)****(b) Related party transactions and balances (Continued)**

The transactions with associates are as follows:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Purchases from an associate	5,785,519	7,236,700	–	–
Sales to associate	(116,276)	(369,610)	–	–
Services acquired from an associate	–	55,000	–	–
Management fees paid/ payable to an associate	132,000	–	–	–
Manpower received/receivable from an associate	(17,500)	–	–	–
Rental of premises paid/ payable to an associate	12,000	17,000	–	–
Rental of premises received/ receivable from an associate	(42,000)	(42,000)	–	–

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 13, 17, 18 and 24 to the financial statements.

**(c) Compensation of key management personnel**

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

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

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
Fee	313,500	294,000	279,300	258,000
Short term employee benefits	1,599,998	2,402,247	809,802	947,315
Post-employment benefits	136,008	165,670	48,215	59,626
Estimated monetary value of benefit-in-kind	78,350	72,650	31,150	31,150
	2,127,856	2,934,567	1,168,467	1,296,091



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**35. CORPORATE GUARANTEES**

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Secured</b>				
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to:				
- Associate	474,712	–	474,712	–
- Subsidiary	–	–	–	136,444
	474,712	–	474,712	136,444

**36. SEGMENT INFORMATION**

For management purposes, the Group is organised into operating segments based on their products and services. The Group Managing Director regularly reviews the information of each operating segment for the purposes of resource allocation and assessment of segment performance. As such, the Group's reportable segment in accordance with MFRS 8 *Operating Segments* is as follows:

Information and Communication Technology	Inclusive of research and development of hardware, software applications and its related services, telematics and navigation products, electronics, automotive and telecommunication related products, Geographical Information System (GIS) and related products and services.
Telecommunications, Infrastructure and Services	Inclusive of installation, jointing and testing of utilities, telecommunication and fibre optic cables and associated civil works.
Others	Mainly comprise investment holding, property investment and provision of management services which are incidental to the activities of the Group.

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

**Segment revenue and results**

The accounting policies of the reportable segments are described in Note 3 to the financial statements. Segment results represent profit or loss before tax of the segment. Inter-segment transactions are entered in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

**Segment assets**

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

**Segment liabilities**

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 36. SEGMENT INFORMATION (CONTINUED)

## (a) Operating segment

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
<b>2020</b>						
<b>Segment Revenue</b>						
External revenue		44,227,052	11,515,614	298,054	–	56,040,720
Inter-segment revenue	(i)	219,624	181,947	3,431,155	(3,832,726)	–
Total revenue		44,446,676	11,697,561	3,729,209	(3,832,726)	56,040,720
<b>Segment Results</b>						
Interest income		194,564	56,506	138,020	–	389,090
Interest expense		(48,536)	(7,756)	–	–	(56,292)
Depreciation of property, plant and equipment		(619,532)	(228,108)	(129,946)	–	(977,586)
Share of results of associates		281,301	41,428	–	–	322,729
Other non-cash items	(ii)	303,145	(83,447)	(253,377)	–	(33,679)
Segment profit/(loss) before tax		5,698,123	715,817	(830,874)	–	5,583,066
Income tax expense		(1,408,179)	(113,936)	–	–	(1,522,115)
<b>Segment Assets</b>						
Additions to non-current assets	(iii)	894,482	328,031	22,946,212	–	24,168,725
Total segment assets		31,044,497	13,709,083	36,569,655	–	81,323,235
<b>Segment Liabilities</b>						
Total segment liabilities		12,906,262	5,784,375	699,919	–	19,390,556

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 36. SEGMENT INFORMATION (CONTINUED)

## (a) Operating segment (Continued)

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
<b>2019</b>						
<b>Segment Revenue</b>						
External revenue		53,971,914	9,197,611	–	–	63,169,525
Inter-segment revenue	(i)	942,597	228,894	6,576,000	(7,747,491)	–
Total revenue		54,914,511	9,426,505	6,576,000	(7,747,491)	63,169,525
<b>Segment Results</b>						
Interest income		213,515	65,643	186,114	–	465,272
Interest expense		(57,877)	(19,759)	–	–	(77,636)
Depreciation of property, plant and equipment		(743,614)	(181,814)	(17,446)	–	(942,874)
Share of results of associate		345,714	–	–	–	345,714
Other non-cash items	(ii)	479,022	(151,673)	(369,655)	–	(42,306)
Segment profit/(loss) before tax		6,581,675	843,699	(1,128,789)	–	6,296,585
Tax (expense)/credit		(1,572,431)	(19,457)	123,641	–	(1,468,247)
<b>Segment Assets</b>						
Additions to non-current assets	(iii)	190,008	268,708	1,499,070	–	1,957,786
Total segment assets		26,550,069	13,312,549	25,635,726	–	65,498,344
<b>Segment Liabilities</b>						
Total segment liabilities		11,278,824	3,732,278	462,794	–	15,473,896

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**36. SEGMENT INFORMATION (CONTINUED)****(a) Operating segment (Continued)**

- (i) Inter-segment revenue is in respect of sales between the segments which are charged at cost plus a percentage profit mark-up. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.
- (ii) Other material non-cash items consist of the following items as presented in the respective notes:

	Group	
	2020 RM	2019 RM
Distribution income from fixed income funds	(229,234)	(537,842)
Gain on disposal of property, plant and equipment	–	(23,800)
Property, plant and equipment written off	–	947
Fair value gain on other investment	(166,280)	–
(Gain)/Loss on foreign exchange - unrealised	(50,016)	15,159
Impairment loss on property, plant and equipment	4,392	–
Net provision for employee benefits	59,652	6,245
Net provision for warranty costs	347,807	496,985
	(33,679)	(42,306)

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

	Group	
	2020 RM	2019 RM
Property, plant and equipment	22,744,393	472,789
Investment properties	1,424,332	1,485,000
	24,168,725	1,957,789

**(b) Geographical segment**

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

**(c) Information about major customers**

Revenue from 3 (2019: 3) major customers of the Group amounted to RM38,463,454 (2019: RM45,705,499).

**37. FINANCIAL INSTRUMENTS****(a) Categories of financial instruments**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

- (i) Fair value through comprehensive income ("FVOCI")  
(ii) Fair value through profit or loss ("FVPL")  
(iii) Amortised cost ("AC")

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**37. FINANCIAL INSTRUMENTS (CONTINUED)****(a) Categories of financial instruments (Continued)**

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Continued):

Group	Carrying amount RM	FVOCI RM	FVPL RM	AC RM
<b>2020</b>				
<b>Financial assets</b>				
Fixed income funds	6,093,618	–	6,093,618	–
Quoted equity securities	1,733,000	–	1,733,000	–
Transferable club membership	250,000	250,000	–	–
Trade receivables	9,909,594	–	–	9,909,594
Other receivables and deposits *	416,215	–	–	416,215
Amount owing by associates	15,539	–	–	15,539
Cash deposits with licensed banks	8,372,166	–	–	8,372,166
Cash and bank balances	15,801,436	–	–	15,801,436
	42,591,568	250,000	7,826,618	34,514,950
<b>Financial liabilities</b>				
Trade payables	13,989,312	–	–	13,989,312
Other payables, deposits and accruals ^	2,463,594	–	–	2,463,594
Bank borrowings	389,350	–	–	389,350
Lease payables	239,497	–	–	239,497
	17,081,753	–	–	17,081,753
<b>2019</b>				
<b>Financial assets</b>				
Fixed income funds	21,195,407	–	21,195,407	–
Transferable club membership	250,000	250,000	–	–
Trade receivables	8,134,024	–	–	8,134,024
Other receivables and deposits *	309,756	–	–	309,756
Amount owing by an associate	42,423	–	–	42,423
Cash deposits with licensed banks	8,922,315	–	–	8,922,315
Cash and bank balances	13,750,069	–	–	13,750,069
	52,603,994	250,000	21,195,407	31,158,587
<b>Financial liabilities</b>				
Trade payables	10,698,661	–	–	10,698,661
Other payables, deposits and accruals ^	2,020,155	–	–	2,020,155
Bank borrowings	136,444	–	–	136,444
Finance lease payables	366,762	–	–	366,762
	13,222,022	–	–	13,222,022

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Continued):

Company	Carrying amount RM	FVPL RM	AC RM
<b>2020</b>			
<b>Financial assets</b>			
Fixed income funds	45,453	45,453	–
Other receivables and deposits *	56,646	–	56,646
Amount owing by subsidiaries	6,518,030	–	6,518,030
Amount owing by an associate	11,597	–	11,597
Cash and bank balances	5,683,053	–	5,683,053
	12,314,779	45,453	12,269,326
<b>Financial liabilities</b>			
Other payables, deposits and accruals	627,379	–	627,379
Amount owing to subsidiaries	6,755,971	–	6,755,971
	7,383,350	–	7,383,350
<b>2019</b>			
<b>Financial assets</b>			
Fixed income funds	9,264,209	9,264,209	–
Other receivables and deposits *	55,352	–	55,352
Amount owing by subsidiaries	4,391,139	–	4,391,139
Amount owing by an associate	4,166	–	4,166
Cash and bank balances	2,966,337	–	2,966,337
	16,681,203	9,264,209	7,416,994
<b>Financial liabilities</b>			
Other payables, deposits and accruals ^	338,666	–	338,666
Amount owing to a subsidiary	4,563,191	–	4,563,191
	4,901,857	–	4,901,857

\* Exclude GST refundable, deposits paid for acquisition of properties and prepayments.

^ Exclude SST payable.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**37. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management**

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

**(i) Credit risk**

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk primarily arise from its trade receivables and contract assets whilst the Company's exposure to credit risk primarily arises from amount owing by subsidiaries. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

**Trade receivables and contract assets**

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

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk in the form of outstanding balances owing by 2 (2019: 2) customers representing 53% (2019: 61%) of the total receivables whilst the Company has significant concentration of credit risk from the amount owing by its subsidiaries.

The Group applies the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") provision for the trade receivable and contract assets. The Group individually assessed ECL of individual customer based on indicators such as changes in financial capability of the receivables, past payment trends of the receivables and default or significant delay in payments. The determination of ECL also incorporate economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivable. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Financial risk management (Continued)

## (i) Credit risk (Continued)

## Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

The information about the credit risk exposure on the Group's trade receivables are as follow:

Group	Gross Carrying Amount RM	ECL Allowance RM	Net Balance RM
<b>2020</b>			
<b>Trade receivables</b>			
Current (not past due)	7,040,328	–	7,040,328
> 30 days past due	1,576,016	–	1,576,016
> 60 days past due	220,602	–	220,602
> 90 days past due	6,399	–	6,399
> 120 days past due	1,066,249	–	1,066,249
	9,909,594	–	9,909,594
<b>Contract assets</b>			
Current (not past due)	4,853,154	–	4,853,154
	14,762,748	–	14,762,748
<b>2019</b>			
<b>Trade receivables</b>			
Current (not past due)	5,636,245	–	5,636,245
> 30 days past due	791,514	–	791,514
> 60 days past due	153,247	–	153,247
> 90 days past due	95,924	–	95,924
> 120 days past due	1,457,094	–	1,457,094
Individually assessed (credit-impaired)	10,000	(10,000)	–
	8,144,024	(10,000)	8,134,024
<b>Contract assets</b>			
Current (not past due)	1,320,815	–	1,320,815
	9,464,839	(10,000)	9,454,839



NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**37. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (Continued)****(i) Credit risk (Continued)****Other receivables and other financial assets**

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposures to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

The Company provides advances to subsidiaries. The Company monitors the result of the subsidiaries in determining the recoverability of the intercompany balances. The advances to subsidiaries are repayable on demand. For such advances, ECL are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the subsidiary does not have sufficient liquid reserves when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at reporting date, the Group and the Company determine the ECL for other receivables and other financial assets to be negligible.

Refer to Note 3.12(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

**Financial guarantee**

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to its subsidiaries and associate. The Company monitors the results of its associate and subsidiary and their repayments on an on-going basis. The maximum exposure of the Group and the Company to credit risk amounted to RM474,712 (2019: RM Nil) and RM474,712 (2019: RM136,443) respectively representing the outstanding credit facilities of the subsidiary and associate guaranteed by the Company at the reporting date. At the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantees.

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Financial risk management (Continued)

## (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, loans and borrowings. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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

Analysis of financial instruments by remaining contractual maturities

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

	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	2 to 5 years RM
<b>2020 Group</b>				
<b>Financial liabilities</b>				
Trade payables	13,989,312	13,989,312	13,989,312	–
Other payables, deposits and accruals <sup>^</sup>	2,463,594	2,463,594	2,463,594	–
Lease payables	239,497	256,115	110,136	145,979
Bank overdrafts	389,350	389,350	389,350	–
Financial guarantee*	–	474,712	474,712	–
	17,081,753	17,573,083	17,427,104	145,979
<b>Company</b>				
<b>Financial liabilities</b>				
Other payables and accruals	627,379	627,379	627,379	–
Amount owing to subsidiaries	6,755,971	6,755,971	6,755,971	–
Financial guarantee*	–	474,712	474,712	–
	7,383,350	7,858,062	7,858,062	–

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (b) Financial risk management (Continued)

## (ii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

2019 Group	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	2 to 5 years RM
<b>Financial liabilities</b>				
Trade payables	10,698,661	10,698,661	10,698,661	–
Other payables, deposits and accruals ^	2,020,155	2,020,155	2,020,155	–
Finance lease payables	366,762	398,538	142,706	255,832
Bank overdrafts	136,444	136,444	136,444	–
	13,222,022	13,253,798	12,997,966	255,832
<b>Company</b>				
<b>Financial liabilities</b>				
Other payables and accruals	338,666	338,666	338,666	–
Amount owing to subsidiaries	4,563,191	4,563,191	4,563,191	–
Financial guarantee*	–	136,444	136,444	–
	4,901,857	5,038,301	5,038,301	–

^ Exclude SST payable.

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

## (iii) Interest rate risk

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

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

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

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

Borrowings at floating rate amounting to RM389,350 (2019: RM136,444) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM239,497 (2019: RM366,762) expose the Group to fair value interest rate risk.

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**37. FINANCIAL INSTRUMENTS (CONTINUED)****(b) Financial risk management (Continued)****(iii) Interest rate risk (Continued)**Sensitivity analysis for interest rate risk

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

**(iv) Foreign currency risk**

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

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

The Group also holds cash and bank balances denominated in foreign currencies for working capital purposes. At the reporting date, such foreign currencies balances (mainly in USD, RMB and SGD) amounting to RM1,595,226 (2019: RM595,808).

Sensitivity analysis for foreign currency risk

The Group believes that the impact of foreign currency fluctuation will not significantly affect the profitability of the Group. As such, sensitivity analysis is not presented.

**(v) Market price risk**

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices. The Group is exposed to market price risk arising from its quoted equity securities. These instruments are classified as fair value through profit or loss. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the price of the other investments had been 5% higher/lower, with all other variables held constant, the Group's net profit would increase/decrease by RM86,650 (2019: RM Nil) as a result of increase/decrease in the fair value of the quoted equity securities.

**(c) Fair values measurement****(i) Determination of fair value**

The methods and assumptions used to determine the fair value of the following classes of financial assets and liabilities are as follows:

Cash and cash equivalents, trade and other receivables and payables

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

Other investments

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

The fair value of quoted equity securities is determined by their quoted closing market price at the end of the reporting date.

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (c) Fair values measurement (Continued)

## (i) Determination of fair value (Continued)

Borrowings

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

## (ii) Fair value hierarchy

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

	Carrying amount Total RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group 2020</b>					
<b>Financial assets at fair value through profit or loss</b>					
- Fixed income funds	6,093,618	6,093,618	-	-	6,093,618
- Quoted equity securities	1,733,000	1,733,000	-	-	1,733,000
<b>Financial assets at fair value through other comprehensive income</b>					
- Transferable club membership	250,000	-	250,000	-	250,000

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

## 37. FINANCIAL INSTRUMENTS (CONTINUED)

## (c) Fair values measurement (Continued)

## (ii) Fair value hierarchy (Continued)

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

	Carrying amount Total RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group 2019</b>					
<b>Financial assets at fair value through profit or loss</b>					
- Fixed income funds	21,195,407	21,195,407	-	-	21,195,407
<b>Fair value assets at fair value through other comprehensive income</b>					
- Transferable club membership	250,000	-	250,000	-	250,000
<b>Company 2020</b>					
<b>Financial assets at fair value through profit or loss</b>					
- Fixed income funds	45,453	45,453	-	-	45,453
<b>2019</b>					
<b>Financial assets at fair value through profit or loss</b>					
- Fixed income funds	9,264,209	9,264,209	-	-	9,264,209

During the financial year ended 30 November 2020 and 2019, there have been no transfers between Level 1 and Level 2.

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**38. CAPITAL COMMITMENTS**

The Group and the Company have made commitments for the following:

	Group		Company	
	2020 RM	2019 RM	2020 RM	2019 RM
<b>Approved and contracted for:</b>				
Acquisition of investment properties	1,012,500	2,277,000	–	–
Acquisition of property, plant and equipment	3,985,870	16,992,000	3,985,870	16,992,000
	<b>4,998,370</b>	<b>19,269,000</b>	<b>3,985,870</b>	<b>16,992,000</b>

**39. CAPITAL MANAGEMENT**

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

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 30 November 2020 and 30 November 2019.

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

The Group monitors capital using a gearing ratio, which is net debts divided by total capital. Net debts comprise borrowings (including finance lease payables) less cash and cash equivalents (excluding bank overdrafts) whilst total capital is the total equity of the Group. The gearing ratio as at 30 November 2020 and 30 November 2019, which is within the Group's objectives of capital management are as follows:

	Group	
	2020 RM	2019 RM
Total interest-bearing borrowings	628,847	503,206
Less: Cash and cash equivalents	(24,173,602)	(22,672,178)
Total net cash	(23,544,755)	(22,168,972)
Total equity	61,932,679	50,024,448
Debt to equity ratio (%)	*	*

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

NOTES TO THE  
FINANCIAL STATEMENTS

[CONTINUED]

**40. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR**

Other than as disclosed elsewhere in the financial statements, significant event during the financial year are as follows:

On 11 March 2020, the World Health Organisation declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. On 16 March 2020, the Malaysian Government imposed the Movement Control Order ("MCO") starting from 18 March 2020 to curb the spread of the COVID-19 outbreak in Malaysia. The COVID-19 outbreak also resulted in travel restriction, lockdown, social distancing, and other precautionary measures imposed in various countries. When the number of daily new infections began to fall, the MCO was lifted on 12 May 2020 and was replaced with less restrictive forms of MCO. The emergence of the COVID-19 outbreak since early 2020 has brought significant economic uncertainties in Malaysia and across the globe.

The Group has assessed and concluded that the COVID-19 outbreak did not have material adverse effect on the Group's and the Company's financial statements for the current financial year, other than the adverse impact on revenue of the Group due to temporary disruption to business activities during the MCO period.

Given the fluidity of the situation, the Group and the Company will continue to monitor the impact of the pandemic and take appropriate and timely measures to minimise its impact on the Group's and the Company's operations.

**41. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR**

On 19 November 2020, the Company proposed a bonus issue of new ordinary shares in the Company on the basis of one bonus share for every two existing shares held and free warrants in the Company on the basis of one warrant for every two existing shares held. The bonus issue of shares has been completed following the listing and quotation for 32,517,616 bonus shares on the Main Market of Bursa Malaysia Securities Berhad ("BMSB") on 24 February 2021. The issuance of up to 48,776,841 warrants is expected to be completed and listed on the Main Market of BMSB in March 2021.



## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, **YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN** and **DATO' KOID HUN KIAN**, being two of the directors of **AMTEL HOLDINGS BERHAD**, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 55 to 137, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2020 and of their financial performance and cash flows for the financial year then ended.

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

**YTM. TUNKU DATO' SERI KAMEL BIN TUNKU RIJALUDIN**

Director

**DATO' KOID HUN KIAN**

Director

Date: 18 March 2021

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, **DATO' KOID HUN KIAN**, being the director primarily responsible for the financial management of **AMTEL HOLDINGS BERHAD**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements as set out on pages 55 to 137 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

**DATO' KOID HUN KIAN**

Director

Subscribed and solemnly declared at Puchong in the state of Selangor Darul Ehsan on 18 March 2021.

Before me,

NG SAY JIN (B-195)  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Amtel Holdings Berhad, which comprise the statements of financial position as at 30 November 2020 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 55 to 137.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 November 2020, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Group

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#### Provision for warranty costs (Notes 4(a) and 26 to the financial statements)

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The Group recognised provision for warranty costs as at 30 November 2020. The appropriateness and adequacy of provision made by the Group in respect of the warranty costs is subject to inherent uncertainty. We focused on this area because there is significant judgement involved in the assumptions used to estimate the provision.

#### Our audit response:

Our audit procedures included, among others,

- understanding the design and implementation of the controls over the identification and calculation of the provision;
- discussing with the management and reading of agreements or correspondences with customers; and
- testing the mathematical accuracy of the underlying calculations and the input data by considering the probability of warranty claims and the actual repair costs incurred.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD

[CONTINUED]

### Key Audit Matters (Continued)

#### Group (Continued)

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#### **Contract revenue recognition (Notes 4(b) and 29 to the financial statements)**

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The Group recognised its infrastructure project contract revenue by reference to the progress towards complete satisfaction of the performance obligation at the reporting date. The progress towards complete satisfaction of the performance obligation is determined by reference to the costs incurred for work performed to date bear to the estimated total costs for each project. We focused on this area because significant judgement by the Group is required in the estimation of total project revenue and costs and the extent of the cost incurred. The estimated total revenue and costs is affected by a variety of uncertainties that depend on the outcome of future events.

#### **Our audit response:**

Our audit procedures on a sample of projects included, among others,

- reading the terms and conditions of agreements with customers;
- obtaining an understanding of the relevant controls of the Group in respect of revenue recognised for contract activities;
- challenging the Group's major assumptions by comparing to contractual terms and our assessments;
- discussing the progress of the projects with the general manager of the projects to obtain an understanding of the basis on which the estimates are made; and
- checking the mathematical computation of the revenue recognised during the financial year.

#### **Company**

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

#### **Information Other than the Financial Statements and Auditors' Report Thereon**

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

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

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

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

INDEPENDENT  
AUDITORS' REPORT

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD

[CONTINUED]

**Responsibilities of the Directors for the Financial Statements**

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

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

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

**Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

**INDEPENDENT  
AUDITORS' REPORT**

TO THE MEMBERS OF AMTEL HOLDINGS BERHAD

**[CONTINUED]****Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

**Other Matters**

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

Baker Tilly Monteiro Heng PLT  
201906000600 (LLP0019411-LCA) & AF 0117  
Chartered Accountants

Lee Kong Weng  
No. 02967/07/2021 J  
Chartered Accountant

Kuala Lumpur

Date: 18 March 2021

## LIST OF PROPERTIES

AS AT 30 NOVEMBER 2020

Location/Address	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Lot No. 61862 Bandar Glenmarie Geran 215243 District of Petaling Selangor Darul Ehsan  No 12, Jalan Pensyarah U1/28 Hicom Glenmarie Industrial Park Seksyen U1, 40150 Shah Alam Selangor Darul Ehsan	4 Storey Office/ Factory Building Head Office Tenanted	Freehold	–	50,831	1.4.2020	20	19,760,740
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan  19-G, Jalan Kajang Perdana 43000 Kajang Selangor Darul Ehsan	3 Storey Town House (Ground Floor) Corner Lot For Rental	Freehold	–	1,078	31.3.2002	18	119,750
Plot No. 31, Phase 1B Kesuma Lakes C.T. 12115, Lot No. 771 Mukim of Beranang District of Ulu Langat Selangor Darul Ehsan	Bungalow Land Vacant	Freehold	–	10,552	19.11.2002	Not Applicable	168,717
Lot No. 20170 Geran Mukim 1455 Mukim 11 District of Barat Daya Pulau Pinang	3 Storey Terrace House Intermediate Lot Investment Properties Under Construction For Rental	Freehold	–	2,578	14.8.2019	Work In Progress	562,500
Lot No. 20171 Geran Mukim 1456 Mukim 11 District of Barat Daya Pulau Pinang	3 Storey Terrace House Intermediate Lot Investment Properties Under Construction For Rental	Freehold	–	2,578	14.8.2019	Work In Progress	562,500
Lot No. 20172 Geran Mukim 1457 Mukim 11 District of Barat Daya Pulau Pinang	3 Storey Terrace House Corner Lot Investment Properties Under Construction For Rental	Freehold	–	2,522	14.8.2019	Work In Progress	562,500
H.S.(M) No. 11460 P.T. No. 35535 Bukit Lancong Mukim of Damansara District of Petaling Selangor Darul Ehsan  No 5, Jalan Ikan Keli Laman Sutera 47150 Subang Jaya Selangor Darul Ehsan	3 Storey Semi- Detached House Intermediate Lot Vacant Investment Properties For Rental	Leasehold	13.5.2114	3,998	28.11.2019	3	1,212,516
<b>TOTAL</b>							<b>22,949,223</b>

## ANALYSIS OF SHAREHOLDINGS

AS AT 26 FEBRUARY 2021

Issued Share Capital : RM40,148,639 comprising 97,553,682 ordinary shares  
Class of Shares : Ordinary shares  
Voting Rights : 1 vote per ordinary share (on a poll)

### ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Holdings	%
1 - 99	433	23,742	0.02
100 - 1,000	209	116,305	0.12
1,001 - 10,000	1,401	4,902,363	5.03
10,001 - 100,000	390	11,184,126	11.47
100,001 - less than 5% of issued shares	77	50,654,209	51.92
5% and above of issued shares	3	30,672,937	31.44
<b>Total</b>	<b>2,513</b>	<b>97,553,682</b>	<b>100</b>

### SUBSTANTIAL SHAREHOLDERS

AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 26 FEBRUARY 2021

Name	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Dato' Koid Hun Kian	12,429,132	12.74	12,186,303*	12.49
Gainfactor Sdn. Bhd.	12,254,100	12.56	–	–
Simfoni Kilat Sdn. Bhd.	5,989,705	6.14	–	–
Koid Siang Loong	2,339,599	2.40	2,700,000**	2.77

Note:

\* Deemed interested by virtue of shares held by spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016 ("the Act") and shares held by virtue of his interest in Simfoni Kilat Sdn. Bhd. and Bai Yun Mountain Trading (M) Sdn. Bhd. pursuant to Section 8(4) of the Act.

\*\* Deemed interested by virtue of his interest in Bai Yun Mountain Trading (M) Sdn. Bhd. pursuant to Section 8(4) of the Act.

### DIRECTORS' SHAREHOLDINGS AS AT 26 FEBRUARY 2021

Name	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
Dato' Koid Hun Kian	12,429,132	12.74	12,186,303*	12.49
Tan Woon Huei	328,500	0.34	–	–
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	300,000	0.31	–	–
Lim Hun Teik	183,000	0.19	–	–
Siow Hock Lee	97,999	0.10	1,221,499**	1.25
Ir.Chew Yook Boo	–	–	–	–

Note:

\* Deemed interested by virtue of shares held by spouse and child pursuant to Section 59(11)(c) of the Companies Act 2016 ("the Act") and shares held by virtue of his interest in Simfoni Kilat Sdn. Bhd. and Bai Yun Mountain Trading (M) Sdn. Bhd. pursuant to Section 8(4) of the Act.

\*\* Deemed interested by virtue of shares held by spouse pursuant to Section 59(11)(c) of the Act.

ANALYSIS OF  
SHAREHOLDINGS  
AS AT 26 FEBRUARY 2021

[CONTINUED]

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS  
AS PER THE RECORD OF DEPOSITORS AS AT 26 FEBRUARY 2021

	Name of Shareholder	No. of shares	%
1.	Koid Hun Kian	12,429,132	12.74
2.	Gainfactor Sdn. Bhd.	12,254,100	12.56
3.	Simfoni Kilat Sdn. Bhd.	5,989,705	6.14
4.	Inspire Sense Sdn. Bhd.	3,600,000	3.69
5.	Chuah Chew Huat	3,180,000	3.26
6.	Bai Yun Mountain Trading (M) Sdn. Bhd.	2,700,000	2.77
7.	Best Interlink Sdn. Bhd.	2,700,000	2.77
8.	Chow Teng Ting	2,678,250	2.75
9.	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Sin Yong Lean)	2,533,950	2.60
10.	Koid Siang Loong	2,339,599	2.40
11.	JF Apex Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Rajinder Kaur A/P Piara Singh (Margin)]	2,129,550	2.18
12.	Teh Tzun Tzin	1,912,400	1.96
13.	Public Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Soh Siew Keng (E-TMI/BMC)]	1,587,300	1.63
14.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Leong Kim Fong)	1,500,000	1.54
15.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Hong Kok Ann)	1,500,000	1.54
16.	M & A Nominee (Tempatan) Sdn. Bhd. (Pledged Securities Account for Teo Boon Ling (M&A))	1,500,000	1.54
17.	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Choy Yang Zhou)	1,500,000	1.54
18.	Citigroup Nominees (Asing) Sdn. Bhd.	1,497,300	1.53
19.	Chen Bee Yoke	1,171,500	1.20
20.	Tan Seow Eng	1,156,999	1.19
21.	Kenanga Nominees (Tempatan) Sdn. Bhd. (Rakuten Trade Sdn. Bhd. for Chow Teng Ting)	967,950	0.99
22.	Poh Swee Chin	729,150	0.75
23.	Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lim Wei Yuen)	710,000	0.73
24.	Ow Soon Kooi	660,000	0.68
25.	Chum Shu Cheng	621,450	0.64
26.	Chan Yoke Fung	600,000	0.62
27.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Lee Chye Khern (M09)]	489,366	0.50
28.	CGS-CIMB Nominees (Tempatan) Sdn. Bhd. [Pledged Securities Account for Lim Guat Kee (MM0666)]	450,000	0.46
29.	Nga Kor Ming	450,000	0.46
30.	UOB Kay Hian Nominees (Asing) Sdn Bhd [Exempt an for UOB Kay Hian Pte Ltd (A/C Clients)]	443,998	0.46
	<b>Total</b>	<b>71,981,699</b>	<b>73.82</b>



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**AMTEL HOLDINGS BERHAD**  
[Registration No. 199601037096 (409449-A)]  
(Incorporated in Malaysia)

**PROXY FORM**  
**24<sup>TH</sup> ANNUAL GENERAL MEETING**

(Before completing this form, please refer to the notes)

CDS Account No.	
No. of Shares held	

\*I/We (full name) .....

\*NRIC No./Passport No./Company No ..... Contact No .....

of (Full Address) .....

being a member of **AMTEL HOLDINGS BERHAD ("Company")** hereby appoint

Name	Email Address	Mobile No.	NRIC/Passport	Mailing Address
*And/or failing him/her (delete as appropriate)				

or failing \*him/her, the Chairman of the meeting as \*my/our proxy to participate, speak and vote for \*my/our behalf at the Annual General Meeting, which will be conducted fully virtual from the broadcast venue at AHB Group Office, Boardroom, No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan on Wednesday, 5 May 2021 at 11.00 a.m., or at any adjournment thereof.

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

No.	Resolutions	For	Against
1.	Approval on the payment of Directors' fees for the financial year ending 30 November 2021.		
2.	Approval on the payment of Directors' benefits and other claimable benefits incurred from 5 May 2021 until the conclusion of the Company's next Annual General Meeting.		
3.	Re-election of Mr. Siow Hock Lee as Director.		
4.	Re-election of Madam Tan Woon Huei as Director.		
5.	Re-election of Mr. Lim Hun Teik as Director.		
6.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company.		
7.	Retention of Mr. Siow Hock Lee as Independent Non-Executive Director.		
8.	Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
9.	Proposed Renewal of Authority for Share Buy-Back.		

For appointment of more than one (1) proxy, percentage of shareholdings to be represented by the proxies:-

No. of Shares	Percentage
Proxy 1	%
Proxy 2	%
Total	100%

Signature/Common Seal of Member

Dated this ..... day of ..... 2021

Notes:

- As part of the initiatives to curb the spread of COVID-19, the AGM will be conducted on a fully virtual basis by way of live streaming and online remote voting via Remote Participation and Voting ("RPV") facilities to be provided by SS E Solutions Sdn. Bhd. via Securities Services e-Portal's platform at <https://sshsb.net.my/login.aspx>. Please read carefully and follow the procedures provided in the Administrative Guide in order to register, participate and vote remotely via the RPV facilities.



Notes (Continued)

2. The Broadcast Venue, which is the main venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 require the Chairman to be present at the main venue of the AGM. Members, proxies and/or corporate representatives will not be allowed to be physically present at the Broadcast Venue on the day of the AGM.  
As guided by the Securities Commission Malaysia's Guidance Note and Frequently Asked Questions on the Conduct of General Meetings for Listed Issuers as revised, the right to speak is not limited to verbal communication only but includes other modes of expression. Therefore, all members, proxies and/or corporate representatives shall communicate with the main venue of the AGM via real time submission of typed texts through a text box within Securities Services e-Portal's platform during the live streaming of the AGM as the primary mode of communication. In the event of any technical glitch in this primary mode of communication, members, proxies or corporate representatives may email their questions to [eservices@sshb.com.my](mailto:eservices@sshb.com.my) during the AGM. The questions and/or remarks submitted by the members, proxies and/or corporate representatives will be broadcasted and responded by the Chairman, Board of Directors and/or Management during the Meeting.
3. In respect of deposited securities, only members whose names appear in the Record of Depositors on 27 April 2021 shall be entitled to participate and vote at this meeting.
4. A member of the Company entitled to participate and vote at this meeting is entitled to appoint a proxy to participate and vote in his stead. Where a member appoints more than one (1) proxy to attend, participate, speak and vote at the same AGM, the appointments shall be invalid unless the proportion of the shareholdings to be represented by each proxy is specified. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the member to attend, participate, speak and vote at the Meeting.
5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or, if the member is a corporation, shall either be executed under the Corporation's common seal or under the hand of an officer or attorney duly authorised. The instrument appointing a proxy must be deposited at the office of SS E Solutions Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan or submit the Form of Proxy electronically via Securities Services e-Portal at <https://sshb.net.my/login.aspx> not later than forty-eight (48) hours before the time set for holding the AGM or any adjournment thereof. The lodging of the Form of Proxy does not preclude you from attending and voting remotely at the AGM should you subsequently decide to do so
7. The AGM will be conducted virtually through live streaming from the Broadcast Venue, members are advised to refer to the Administrative Guide on the registration and voting process for the AGM.

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AFFIX  
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The Poll Administrator of

**AMTEL HOLDINGS BERHAD**

[Registration No.: 199601037096 (409449-A)]

c/o SS E Solutions Sdn. Bhd.

Level 7, Menara Milenium, Jalan Damanlela

Pusat Bandar Damansara, Damansara Heights

50490 Kuala Lumpur, Wilayah Persekutuan

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**Amtel Holdings Berhad (KLSE: 7031)** 199601037096 (409449-A)

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