ANNUAL REPORT 2019

Amtel Holdings Berhad
199601037096 (409449-A)

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NOTICE OF THE
TWENTY-THIRD ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Third Annual General Meeting ("23rd AGM") of Amtel Holdings Berhad ("AHB" or "Company") will be held at Conference Room, Level 3, Eastin Hotel Kuala Lumpur, 13 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 12 May 2020 at 10.00 a.m. for the purpose of transacting the following businesses:-

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 30 November 2019 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 RM294,000 for the financial year ending 30 November 2020. (Ordinary Resolution 1)

3. To approve the payment of Directors' benefits and other claimable benefits incurred from 12 May 2020 until the conclusion of the Company's next Annual General Meeting ("AGM"). (Ordinary Resolution 2)

4. To re-elect YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin 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 Ir. Chew Yook Boo 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 4)

6. 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 5)

AS SPECIAL BUSINESS

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

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

   "**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." (Ordinary Resolution 6)

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

   "**THAT** subject always to the Companies Act 2016 ("the Act"), Constitution of the Company and/or approvals of the relevant authorities, the Directors of the Company be and are hereby authorised and empowered to allot and issue new shares in the Company, from time to time and upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad ("Bursa Securities") AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company." (Ordinary Resolution 7)

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

[CONTINUED]

9. **Ordinary Resolution – Proposed Share Buy-Back of up to 10% of the total issued shares of the Company**

"**THAT** subject to the Act, rules, regulations and orders made pursuant to the Act, the Constitution of the Company, Main Market Listing Requirements ("MMLR") of Bursa Securities and any other relevant authority or approval for the time being in force or as may be amended from time to time, approval be and is hereby given to the Company to purchase such number of ordinary shares 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, necessary and expedient in the interest of the Company ("Proposed Share Buy- Back"), provided that:- (Ordinary Resolution 8)

(a) the aggregate number of ordinary shares to be purchased by the Company shall not exceed 10% of the total number of issued shares of the Company at any point of time; and

(b) the maximum fund to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase.

THAT the authority conferred by this resolution shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following this AGM at which this resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at the next AGM, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) the authority is revoked or varied by ordinary resolution passed by the shareholders in a general meeting, whichever, occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manners:-

(a) cancel all the ordinary shares so purchased; and/or

(b) retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or

(c) retain part thereof as treasury shares and cancel the remainder.

AND THAT the Directors be and are hereby authorised to take all such steps as necessary (including the opening and maintaining of depository account(s) under the Securities Industry (Central Depositories) Act, 1991) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Board may in their discretion deem necessary and to do all such acts and things the Directors may deem fit and expedient in the best interest of the Company."

NOTICE OF THE TWENTY-THIRD ANNUAL GENERAL MEETING

[CONTINUED]

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

By Order of the Board
TEE LEE LENG (SSM PC No. 202008001301) (MAICSA 7044742)
HOH YIT FOONG (SSM PC No. 201908000074) (LS 0018)

Company Secretaries
Selangor Darul Ehsan

30 March 2020

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 May 2020 shall be entitled to attend, speak and vote at this meeting.*

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

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

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

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

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

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

Explanatory Notes on Ordinary Business:

1. This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act does not requires 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 Director 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 23rd AGM, payment of benefits incurred by the Directors from 12 May 2020 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 and 4 are stated in the Profile of Directors on pages 9 and 10 of the Annual Report 2019. Their securities holdings in the Company are stated on page 159 of the Annual Report 2019.

Explanatory Notes on Special Business:

1. **Ordinary Resolution 6 – 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 6 : Mr. Siow Hock Lee

   (i) He has confirmed and declared that he is an Independent Director as defined in the MMLR of Bursa Securities;
   (ii) He does not have any conflict of interest with the Company and has not entered/is not expected to enter into contract(s) especially material contract(s) with the Company and/or its subsidiary companies;
   (iii) He has thorough understanding of the business of the Group and could provide the Board valuable and insightful advice;
   (iv) He has actively participated in Board deliberation and decision making in an objective manner; and
   (v) 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 who serve 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.

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

2. **Ordinary Resolution 7 – Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act**

   The Company had at its 22nd AGM held on 3 May 2019 obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Sections 75 and 76 of the Act.

   The proposed Ordinary Resolution 7 is a renewal of the general mandate for issuance of shares by the Company. This resolution, if passed, will empower the Directors, from the date of the 23rd AGM until the next AGM to allot and issue new shares of the Company up to an amount not exceeding in total 10% of the total number of issued shares of the Company for the time being and for such purposes as the Directors consider would be in the best interests of the Company. This would avoid any delay and cost involved in convening a general meeting to specifically approve the aforesaid. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

   The purpose of this general mandate is to eliminate the need to seek shareholders' approval to convene general meeting(s) from time to time as and when the Company issues new shares for future business opportunities and thereby reducing administrative time and cost associated. The Directors would utilise the proceeds raised from this mandate for working capital and/or funding future investment project(s) and/or acquisition or such other applications they may in their absolute discretion deem fit.

3. **Ordinary Resolution 8 – Proposed Share Buy-Back of up to 10% of the total issued shares of the Company ("Proposed Share Buy-Back")**

   The Proposed Share Buy-Back, if passed, will allow the Company to purchase its own shares of up to 10% of the total issued shares of the Company at any time within the time period stipulated in MMLR of Bursa Securities.

   Please refer to the Statement to Shareholders dated 30 March 2020, which is despatched together with the Company's Annual Report 2019, 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 individual who are standing for election as Directors
   - No individual is seeking election as a Director at the 23rd AGM of the Company.

(ii) Authority to 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
(re-designated on 30 December 2019)

Dato' Koid Hun Kian
Group Managing Director

Mr. Siow Hock Lee
Independent Non-Executive Director

Ms. Tan Woon Huei
Non-Independent Non-Executive Director
(re-designated on 1 June 2019)

Ir. Chew Yook Boo
Independent Non-Executive Director

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

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

AUDITORS

Baker Tilly Monteiro Heng PLT (201906000600) (LLP0019411-LCA & AF 0117)
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

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

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

STOCK EXCHANGE LISTING

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

WEBSITE

www.amtel.com.my

CORPORATE STRUCTURE

AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]

- **Information & Communication Technology**
  - 100% **Amtel Cellular Sdn. Bhd.** [Registration No. 199301023413 (278151-D)]
    - 100% **Amnavi Sdn. Bhd.** [Registration No. 200601031705 (751464-V)]
    - 100% **Amtel Pte. Ltd.** (201332446R)
    - 100% **Amtel Intelligence Sdn. Bhd.** [Registration No. 202001001413 (1357732-U)]
    - 35% **Milan Utama Sdn. Bhd.** [Registration No. 200501025101 (707234-W)]
  - 100% **Amtel Communications Sdn. Bhd.** [Registration No. 199301019957 (274695-V)]
- **Telecommunications, Infrastructure & Services**
  - 100% **Amtel Resources Sdn. Bhd.** [Registration No. 198101007219 (73335-P)]
    - 32% **WAMM Bersekutu Sdn. Bhd.** (Formerly known as Amtel Networks Sdn. Bhd.) [Registration No. 198501005419 (137860-P)]
- **Others**
  - 100% **Metrarama Sdn. Bhd.** [Registration No. 199801018282 (474411-K)]

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

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

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

DATO' KOID HUN KIAN
(Group Managing Director)

Dato' Koid Hun Kian, a Malaysian aged 63, 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 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 63, 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 58, female, is a Non-Independent Non-Executive Director of AHB. She was first appointed to the Board on 25 August 2014. She is 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.

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

Ir. Chew Yook Boo, a Malaysian aged 63, male, is an Independent Non-Executive Director of AHB. He was appointed to the Board on 8 February 2017. He is the Chairman of the Audit Committee and Nomination Committee and a member of the Remuneration Committee.

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

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

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

PROFILE OF KEY SENIOR MANAGEMENT

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

Lim Hun Teik, a Malaysian aged 51, male, was appointed as the General Manager of AMCSB on 1 January 2011.

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

He first joined AMCSB in September 2005 as a Senior Business Development Manager. Subsequently, he was promoted to Assistant General Manager in 2009 and took over the role of General Manager in 2011. His responsibilities in the company includes overseeing company's daily operations, liaising with business partners and customers, providing and implementing company's guidelines, operating policies and procedures to ensure adherence to standards and best practices in the company. He has more than twenty eight (28) years of working experience in quality engineering, project management and business development. Prior to joining AMCSB, he worked for Soarway Enterprise Co., Ltd as a Business Manager.

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

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

Chin Wou Chau, a Malaysian aged 69, 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]

KOID SIANG LOONG
(Group Operations Manager)

Koid Siang Loong, a Malaysian aged 31, 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 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.

GROUP FINANCIAL HIGHLIGHTS

summary of past five years

FINANCIAL YEARS ENDED 30 NOVEMBER	2019 RM '000	2018 RM '000	2017 RM '000	2016 RM '000	2015 RM '000
Revenue	63,170	50,926 *	33,427	47,417	56,656
Profit/(Loss) Before Tax Expense	6,296	1,719 *	(3,202)	1,052	1,160
Profit/(Loss) For The Financial Year	4,828	1,023	(2,971)	453	810
Total Assets	65,498	61,532	60,982	67,888	63,712
Total Borrowings	503	1,623	1,293	663	402
Shareholders' Equity	50,024	45,195	42,950	45,902	44,277
Net Assets	50,024	45,195	41,060	44,044	43,903
Basic Earnings/(Loss) Per Share (Sen)	8.91	2.13 *	(5.90)	0.52	1.66
Net Assets Per Share (Sen)	92.30	83.39	83.32	89.38	89.09

* These are inclusive of continuing and discontinued operations.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear valued shareholders,

On behalf of the Board of Directors ("Board"), we are pleased to present to you the Annual Report and the Audited Financial Statements of Amtel Holdings Berhad ("AHB" or "Company") and its subsidiaries ("Group") for the financial year ended 30 November 2019 ("FYE 2019").

BUSINESS AND OPERATIONS OVERVIEW

Today, our Group operates in three main business segments, namely Information & Communication Technology ("ICT"), Telecommunications, Infrastructure & Services ("TIS") and Others which involves investment holding and property investment activities. ICT continued to be the leading business segment of the Group, contributing 85.4% of the Group's revenue in FYE 2019 and the remaining 14.6% was contributed by TIS segment. The Company received dividends of RM5.42 million from its investment in subsidiaries during the financial year but they were eliminated on consolidation.

2019 had been another challenging and volatile year. The growth of our country's economy was impacted by concerns about the US-China trade war, moderating global economic growth, exchange rate volatility and political unrests in a number of countries. In spite of these issues and challenges, the local automotive industry remained resilient and had performed relatively well. The Malaysian Automotive Association ("MAA") announced that the Total Industry Volume ("TIV") of new motor vehicles registered in 2019 was 604,287 units, an increase of approximately 1% against 598,598 units registered in 2018. Despite a small growth, it was still a good achievement for the local automotive industry after exceeding the 600,000 units mark for the first time in three years.

Amidst the challenging business environment and rising operating costs, our Group had worked hard to deliver a commendable profit after tax of RM4.83 million as compared to RM1.02 million in the preceding year. This can only be accomplished through vigilant management and tight control that cut across all departments and business activities, including sales, purchases (or materials) and overheads, etcetera so as to keep the profit margins intact. In FYE 2019 our Group continued to focus on our core ICT business, especially in the supply of Telematics and automotive related accessories and services but with greater emphasis in products design and enhancement. The aggressive promotional campaigns undertaken by automakers to sustain buying interest such as the introduction of new models with latest specifications, design styles and at competitive prices has benefited not only us, but the entire value chain. On top of these, our Group's lean organisational structure has allowed us to attain improved operational efficiency, cost effectiveness and reinforce decision-making process.

REVIEW OF FINANCIAL RESULTS AND PERFORMANCE

Our Group's revenue grew approximately 24.9% to RM63.17 million for FYE 2019 compared to RM50.55 million in the preceding financial year ended 30 November 2018 ("FYE 2018"). The revenue growth mainly came from the ICT segment that continued to remain the major contributor in driving the Group to achieve higher sales and improved performance in FYE 2019.

In tandem with higher revenue and better profit margins, our Group managed to achieve profit after tax of RM4.83 million, which is a significant improvement compared to the RM1.02 million profit recorded in the prior financial year.

The total number of issued shares of the Company stood at 54,197,066 as at 30 November 2019. Our Group's net assets value per share increased to 92.30 sen as at 30 November 2019 from 83.39 sen the year before.

There was no substantial change to our Group's capital structure and resources in FYE 2019. Our Group's total borrowings decreased by RM1.12 million to RM0.50 million as at 30 November 2019 mainly due to our repayments to pare down bank overdrafts and finance lease obligations. Consequently, our Group's net gearing ratio was lower at 0.01 (FYE 2018: 0.04) times. Nevertheless, our Group's capital structure may change in the immediate term if the term loan facility intended to part finance the acquisition of the new office/factory building located in Bandar Glenmarie, Selangor is approved and drawn down. This impending new borrowing will increase the Group's gearing ratio but the impact will depend on the eventual amount of the loan utilised.

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

REVIEW OF FINANCIAL RESULTS AND PERFORMANCE (CONTINUED)

We have been financing our operations through our own funds. We have cash reserves totaling RM43.86 million as at 30 November 2019 (FYE 2018: RM30.86 million) available for working capital and future expansion. Our cash reserves comprise cash and cash equivalents, term deposits and fixed income funds. The increase in cash reserves during the financial year was attributed to positive cash inflow generated from our operating activities.

In FYE 2019, our Group incurred capital expenditure amounting to RM1.49 million for the purchase of investment properties and we had paid a deposit of RM1.89 million to purchase the Glenmarie's office/factory building. The Group's authorised and contracted capital commitments are as disclosed in Note 39 of the accompanying audited financial statements.

REVIEW OF OPERATIONS

Information & Communication Technology Segment ("ICT")

ICT continued to be the leading segment contributing 85.4% (FYE 2018: 77.5%) or RM53.97 million (FYE 2018: RM39.46 million) of the Group's revenue. With the strong sales performance achieved, ICT segment closed off the current financial year with higher profit after tax.

Telecommunications, Infrastructure and Services Segment ("TIS")

Our TIS segment continued to deliver positive results to our Group although segment revenue has retreated to RM9.20 million from RM10.93 million last financial year. This revenue came from progress billings on completed and on-going civil infrastructure project works. Despite reporting less revenue, this segment saw an increase in profit after tax in FYE 2019 due to better cost management and the implementation of various cost reduction initiatives.

Others Segment

The Company's revenue and profit after tax were attributable to the investment holdings activities and provisioning of intra-group management services. Dividend income from investment in subsidiaries increased substantially from RM0.51 million in FYE 2018 to RM5.42 million this financial year. However, all such revenue and the resultant profit relate to inter-company transactions within the Group were eliminated at the Group level.

RISKS AND CHALLENGES

Our ICT and TIS segments face a number of business risks and challenges that may impact our operations and financial performance. As such, there is a need to reinforce a sound system of risk management and internal controls to identify, assess and manage these risks. This is further detailed in the Statement of Internal Control and Risk Management. The key challenges and known risks specific to the Group's operations are set out as below.

Market Risk

The success of our ICT products and services is highly dependent on the local Automotive Industry where pricing, quality and the type of products and services offered are vital factors. Competition and demand from customers will continue to be matters of concern. We shall continue to enhance our competitive strengths through various localisation efforts and at the same time, improve our product range and services while broadening our customer base. Over the years, our Group has established a strong business relationship with our customers. It is the rapport and trust earned with our customers that have resulted in repeated and continuous business relationship.

The key market risk identified in our TIS segment continue to be the low pricing strategies adopted by competitors which are hurting our margins. Our management team is constantly reviewing, monitoring and managing the project costs to ensure we remain competitive. Taking this factor into consideration, we continue to adopt strategies that have been put in place such as managing staff expenses and operating costs, close monitoring of project costing and progress, and reviewing contract terms with suppliers to enjoy lower materials costs.

CHAIRMAN'S STATEMENT AND MANAGEMENT DISCUSSION AND ANALYSIS

[CONTINUED]

RISKS AND CHALLENGES (CONTINUED)

Foreign Currency Exchange Fluctuation and Material Costs

Our ICT business is partially exposed to foreign currency risk due to exchange rate fluctuation as some component purchases and services are transacted primarily in USD and Renminbi. The fluctuation in exchange rate will affect the materials costs which in turn have an impact on the bottom line. In order to minimise the exposure, we have tightened our control over the monitoring of the currency fluctuation. We manage our treasury activities by utilising the letter of credit facility from licensed banks for larger purchases denominated in foreign currencies. To mitigate the exposure further, we continue to monitor closely the procurement process and work regularly with our overseas suppliers to review pricing, purchase and payment terms, and sourcing of compatible materials from local suppliers of similar quality and standards.

DIVIDEND

No dividend has been proposed or declared in FYE 2019. We are mindful of the need to maintain sufficient cash reserves to support further expansion of our business operations and in strengthening our Group's position to attain sustainable and long-term growth. Any decision of a dividend payment in future will be determined after having assessed the Group's profitability, capital requirements and liquidity.

BUSINESS OUTLOOK AND PROSPECTS

Malaysia's annual gross domestic product growth moderated to 4.3% in 2019, which is the lowest since the Global Financial Crisis in 2009. Bank Negara Malaysia ("BNM") said the annual growth in 2019 was adversely affected by supply disruptions in the commodities sector. Going into 2020, Malaysia's economic growth will be affected by the Covid-19 outbreak, which overall impact will depend on the duration and spread of the outbreak as well as policy responses by the authorities.

While the external environment continues to face uncertainties, Malaysia's economy is expected to expand by 4.8% in 2020, maintaining the government's forecast as it braces for a potential global slowdown tied to the Covid-19 outbreak. BNM expects that this year's growth will be supported by strong macroeconomic fundamentals such as domestic demand, household spending, expansion in the private sector activities and higher public sector capital spending.

On the other hand, MAA foresee 2020 will be another challenging year for the automotive industry and has forecasted the TIV of 607,000 units vehicles for 2020 which represents an increase of 0.5% over 2019. Taken the above economic and business circumstances into account, we therefore foresee the business environment to remain competitive ahead. Our ICT business operates in a rapidly changing market environment. Hence, our main focus has always been placed on new product developments initiatives to remain technologically and financially resilient in this evolving business landscape. We will continue to introduce new and innovative products and services, widen our product range with improved quality, enhanced features and functionalities to strengthen our market position and to better serve the increasing needs of our existing customers. We will also continue to invest in research and development and up-skill the current task force to capture new growth and new business opportunities.

The recent launch of the National Automotive Policy ("NAP") 2020 saw three new advanced technology elements been incorporated, namely Next Generation Vehicle, Mobility as a Service and Industrial Revolution 4.0. The launch of the third national car project provides great opportunity for participation by domestic companies in the local and global supply chain, engineering activities and enhancement of exports. The car is expected to feature the latest technology as a smart vehicle with connectivity, smart vehicle system and advanced driver assistance system. In response to this, our ICT segment has carved a strategic business plan focusing on new technology offerings and solutions as part of our medium to long term initiatives. Our Group is also looking forward to the implementation of automated assembly process and related tax incentives in line with Industrial Revolution 4.0.

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

BUSINESS OUTLOOK AND PROSPECTS (CONTINUED)

Our government's plan to continue with certain mega infrastructure and development projects is expected to spur the growth in the local economy. In addition, the implementation of the National Fiberisation and Connectivity Plan over the next five years will accelerate the digital economy. Despite challenges in pricing strategies and keen competition, our TIS segment will continue to actively bid for more contracts coming from the infrastructure development and fiberisation initiatives. With adequate manpower and resources at our disposal and our TIS's management team's vast experience in this field over the years, we are well positioned to take on additional civil infrastructure contracts works. Henceforth, we expect our TIS segment to continue play an important role in contributing to the revenue and bottom line of our Group.

We remain steadfast in our effort in achieving sustainable growth. Going forward, we will continuously monitor our businesses by leveraging on our core competencies and available resources. While pursuing new opportunities in the ICT and TIS segments, our Group will continue to streamline the operational processes to enhance efficiency and achieve better margins. Our Group's strong cash reserve and liquidity will allow us to tap into opportunities in other fields of businesses to broaden our earning base. Albeit the uncertain market sentiments and challenging business environment, our Group remains optimistic in achieving satisfactory results for the new financial year.

ACKNOWLEDGEMENT

We would like to express our heartfelt gratitude to our Board, management team and staff for their enduring commitment and contribution towards the growth of the Group.

During the year, Ms. Tan Woon Huei was re-designated from Executive Director to Non-Independent and Non-Executive Director on 1 June 2019. We are confident that she will continue to provide valuable advice to our Group in years to come due to her vast experience and knowledge in the telecommunications industry.

On behalf of the Board, we wish to extend our sincere appreciation to all our valued shareholders, customers, suppliers, business associates, bankers, fund managers, consultants and the government and regulatory authorities for their trust and continued support to our Group.

TUNKU DATO' SERI KAMEL
Chairman

DATO' KOID HUN KIAN
Group Managing Director

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("Board") of the Company acknowledges the importance of establishing and maintaining good corporate governance within the Group and is committed to ensure that the highest possible standards of corporate governance are practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholders values and financial performance of the Group. 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 2019 of the Company which is available on the Company's corporate website at 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 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)

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

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. Both documents are available on the Company's corporate website at www.amtel.com.my.

Whistle blowing Policy

To strengthen corporate governance practices across the Group, a whistleblowing 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 five (5) members comprising the following:-

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

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

Independent Directors

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

Mr. Siow Hock Lee who was appointed as Independent Non-Executive Director on 9 November 1996 has exercised his objective and independent judgment 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

Board Diversity (Continued)

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.

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, six (6) Board meetings were held and the attendance of the Directors who held office during the financial year ended 30 November 2019 is set out below:-

Name of Directors	Attendance of meetings
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	6/6 (100%)
Dato' Koid Hun Kian	6/6 (100%)
Mr. Siow Hock Lee	5/6 (83%)
Ms. Tan Woon Huei	6/6 (100%)
Ir. Chew Yook Boo	6/6 (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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

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.

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

Name of Directors	Date	Seminars/ Training Programme	Organiser(s)
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	29.04.2019	In-House training on Change Management Essentials	Amtel Holdings Berhad (Facilitator: Lourdes Chandramohan of Project Management Academy)
Dato' Koid Hun Kian	29.04.2019	In-House training on Change Management Essentials	Amtel Holdings Berhad (Facilitator: Lourdes Chandramohan of Project Management Academy)
	05.11.2019	Workshop on Corporate Liability Provision (Section 17A) of the MACC Act 2009	Bursa Malaysia Berhad
Mr. Siow Hock Lee	17.12.2018 and 18.12.2018	Essentials of Corporate Taxation – A Legal and Practical Approach (with Budget 2019 Updates)	Malaysia Institute of Accountants
	29.04.2019	In-House training on Change Management Essentials	Amtel Holdings Berhad (Facilitator: Lourdes Chandramohan of Project Management Academy)
	17.07.2019	Avoiding Competition Law Violations – Formulating An Effective Compliance Policy	Bursa Malaysia Berhad
	21.09.2019 to 23.09.2019	6th Professional Business Valuation Course	Business Valuers Association Malaysia & The International Association of Certified Valuation Specialist
	08.11.2019	Invitation to the Securities Commission Malaysia's Audit Oversight Board conversation with Audit Committees	Securities Commission Malaysia

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

Directors' Training (Continued)

Name of Directors	Date	Seminars/ Training Programme	Organiser(s)
Ms. Tan Woon Huei	29.04.2019	In-House training on Change Management Essentials	Amtel Holdings Berhad (Facilitator: Lourdes Chandramohan of Project Management Academy)
	27.06.2019	Cyber Security in the Boardroom – Accelerating from Acceptance to Action	Bursa Malaysia Berhad
	31.10.2019	Session on Corporate Governance and Anti-Corruption	Bursa Malaysia Berhad & Securities Commission Malaysia
Ir. Chew Yook Boo	29.04.2019	In-House training on Change Management Essentials	Amtel Holdings Berhad (Facilitator: Lourdes Chandramohan of Project Management Academy)
	24.09.2019	BEM Training & Education Roadshow 2019 – "Safety Awareness"	Board of Engineers Malaysia
	17.10.2019	'Evaluating Effective Internal Audit Function - Audit Committee's Guide On How To'	Bursa Malaysia Berhad

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;
(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 independency 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

Nomination Committee (Continued)

The Nomination Committee members shall be appointed by the Board and comprises exclusively of Non-Executive Directors. The Nomination Committee held one (1) meeting during the financial year ended 30 November 2019 as follows:-

Members	Designation	No. of Meeting Attended
Ir. Chew Yook Boo	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%)
Mr. Siow Hock Lee	Member/Independent Non-Executive Director	1/1 (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 independency of its 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.

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

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

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II. BOARD COMPOSITION (CONTINUED)

Nomination Committee (Continued)

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 Director is made up of meeting attendance allowances, salary, bonus and benefit-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.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III. REMUNERATION (CONTINUED)

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 two (2) meetings during the financial year ended 30 November 2019 as follow:-

Members	Designation	No. of Meetings Attended
Mr. Siow Hock Lee	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%)
Ir. Chew Yook Boo	Member/Independent Non-Executive Director	2/2 (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.

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 2019 are as follows:-

(a) Aggregate Remuneration of Each Director:-

(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
Non-Executive Directors							
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	78	–	–	2	–	–	80
Mr. Siow Hock Lee	72	–	–	2	–	–	74
Ir. Chew Yook Boo	72	–	–	2	–	–	74
Ms. Tan Woon Huei *(Re-designated on 1 June 2019)*	36	–	–	2	–	–	38
	258	–	–	8	–	–	266
Executive Directors							
Dato' Koid Hun Kian	–	600	60	2	44	31	737
Ms. Tan Woon Huei *(Re-designated on 1 June 2019 to Non-Executive Director)*	–	–	–	–	–	–	–
	–	600	60	2	44	31	737
Total	258	600	60	10	44	31	1,003

(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
Non-Executive Directors							
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	114	–	–	2	–	–	116
Mr. Siow Hock Lee	72	–	–	2	–	–	74
Ir. Chew Yook Boo	72	–	–	2	–	–	74
Ms. Tan Woon Huei *(Re-designated on 1 June 2019)*	36	–	–	2	–	–	38
	294	–	–	8	–	–	302
Executive Directors							
Dato' Koid Hun Kian	–	600	60	2	44	31	737
Ms. Tan Woon Huei *(Re-designated on 1 June 2019 to Non-Executive Director)*	–	381	40	–	19	17	457
	–	981	100	2	63	48	1,194
Total	294	981	100	10	63	48	1,496

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 Senior Management for the financial year ended 30 November 2019 are as follows:- (continued)

(b) Remuneration of Senior Management

Remuneration Bands	Senior Personnel
RM150,000-RM200,000	1
RM200,001-RM250,000	1
RM250,001-RM300,000	–
RM300,001-RM350,000	–
RM350,001-RM400,000	–
RM400,001-RM450,000	–
RM450,001-RM500,000	–
RM500,001-RM550,000	1

Currently, the Company has only three senior personnel. The aggregate remuneration paid to the top three senior personnel (including salaries, bonuses, benefit-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 General Manager cum Director of subsidiaries and Group Operations Manager.

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 2019 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
[CONTINUED]

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I. AUDIT COMMITTEE (CONTINUED)

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.

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 independency 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 41 to 44 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 45 to 47 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 41 to 44 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

[CONTINUED]

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, to which stakeholders can direct their queries or concerns.

Conduct of General Meetings

The Company encourages shareholders to attend the AGMs. The Company despatches 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 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 13 March 2020.

SUSTAINABILITY STATEMENT

INTRODUCTION

As organisations and by extension, people strive for progress in this modern world, the concept of sustainability has become increasingly relevant: In their quest for economic success, their actions many reckon, have brought about undesirable impacts on the environment and society in which they operate. In AHB, our Board have taken upon themselves to purse 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

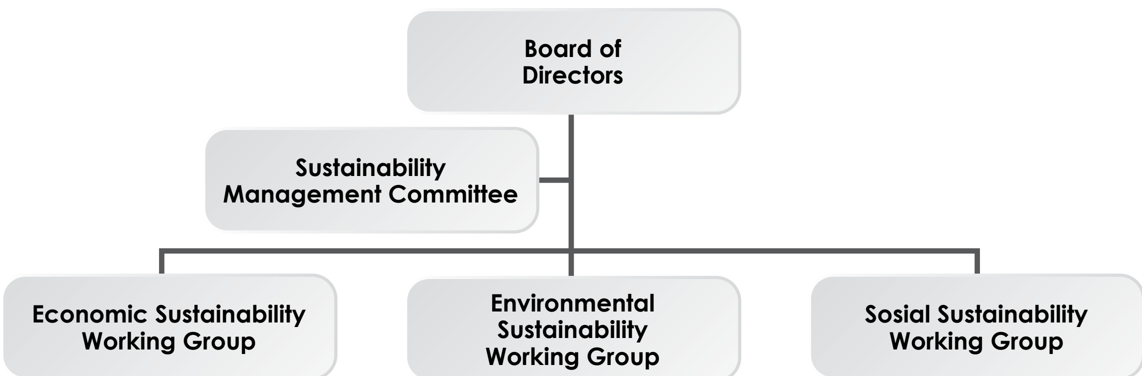
AHB and its group of companies ("Group") are involved in Information & Communication Technology ("ICT"), Telecommunications, Infrastructure & Services and Others. AHB's core business in the ICT segment represents over 80% of the Group's revenue.

This is the second year that the Group is progressing in its journey towards establishing a Sustainability Reporting framework. Our Sustainability Statement covers the Company and all subsidiaries located in Malaysia. Our Singapore subsidiary company has been excluded as the company 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 2019 that runs from 1 December 2018 to 30 November 2019.

The Group has decided 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 organisation. Going forward, this will form our basis towards the implementation of Sustainability Development and Reporting.

SUSTAINABILITY FRAMEWORK AND GOVERNANCE

AHB's Board plays a key role in supporting sustainability initiatives. The Group Managing Director and his 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 i.e. 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 adopting and implementing sustainability policy and practices. The 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 report to the SMC and are categorised into different sub-groups based on their area of focus. Our Board play 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	• Transparent reporting • Business strategy and plans • Financial performance	• Quarterly & other announcements • Annual report • Corporate website, AGM & Extraordinary General Meeting	• Quarterly • Annually • As notified and/or announced
Customers	• Quality, reliability & pricing of services & products • Timely delivery • Payment & other terms	• Operational meetings • Corporate functions & events • Annual customer satisfaction survey	• Monthly or continuous (as and when required)
Employees	• Compensation & benefits • Work-life balance • Training and career development • Workplace health and safety	• Internal and external training programs • Project & operational meetings • Internal audits • Staff performance appraisal • Annual employee's satisfaction survey • Company functions & events	• Monthly, annually or continuous (as and when required)
Regulators, authorities & other government bodies	• Statutory compliance • Corporate governance	• Announcements • Annual payments, filings & returns • Correspondences via circulars, mails or emails • Seminars, dialogues, workshops & forums • Appointments	• Annually, quarterly, monthly or continuous (as and when required)
Suppliers	• Product & service quality & reliability • Credit and trading terms • Warranty terms • Reputation-related matters	• Suppliers performance assessment • Appointments – vendor selection and background search • Corporate functions & events	• Annually and continuous (as and when required)
Local community	• Corporate Social Responsibilities	• Corporate functions & events	• Annually or as and when required

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 organisation'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 Securities – 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 follows. It is our aim to ensure that our performance will improve over the years in addressing these matters.

OUR IMPACT ON THE ECONOMY

AHB acknowledges the impact of the processes of its business activities and the importance of achieving a practical balance of optimal financial performance and its responsibilities towards the environment and community.

DIRECT ECONOMIC VALUE

AHB has a viable business that has contributed positively to strengthen the Malaysian economy. The revenue generated has been equitable distributed to the stakeholders such as suppliers, employees, investors and tax authorities. For the financial year ended 2019, our financial performance is summarised as follows:-

	RM'000
Revenue	63,170
Profit before tax	6,296
Tax expense	1,468
Profit for the financial year	4,828

Details of our business, products and services and economic performance are discussed in our Management Discussion and Analysis as set out on pages 14 to 17 of this Annual Report and the income statements as set out on pages 57 and 58 of the accompanying audited financial statements.

CUSTOMER SATISFACTION

Customers are the main pillar of our business ventures. Therefore, engagement with customers is important for us to build 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 equipped with sustainable features that takes into account market demand and relevant regulatory requirements. Customer feedbacks on their requirements and regular interactions via discussion, email communications and factory visits with regards to product innovation and quality are key to our business growth.

Our ICT segment continues to invest in research & development activities to ensure that our products and services remain competitive, such as:-

- 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 and alerts; and
- Compliance to recognised standards and certifications.

SUSTAINABILITY STATEMENT
[CONTINUED]

OUR IMPACT ON THE ECONOMY (CONTINUED)

PRODUCT CERTIFICATION AND QUALITY MANAGEMENT

As part of AHB's commitment towards continual quality improvement in our product and services, AHB's subsidiary, Amtel Cellular Sdn. Bhd. ("AMCSB"), has a dedicated in-house team which oversee our overall quality control and assurance under our Quality Management System. Since 2011, AMCSB has been approved by Lloyd's Register Quality Assurance Limited to the following standards: IATF 16949:2016. This certification further evidences the 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. AHB works closely with its principal partners, local and overseas suppliers who are committed to high quality materials and services which conform with environmental, health and safety standards.

The 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, credit terms and on-time delivery. We also conduct constant interactions with suppliers via email communications and conference calls to update on delivery schedules, products quality and rejects. We aim to develop a transparent procurement processes and ethical practices throughout our organisation and to integrate environmental and social considerations into our procurement process. It has also been our practice to source supplies locally to help boost the local economy.

OUR IMPACT ON THE ENVIRONMENT

AHB is 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, the Group strives to design its products and services by integrating green features and innovations. Our Telematics solutions primarily aims to assist businesses and consumers in terms of reducing travelling times, better fuel efficiency, reduce traffic congestion etc, effectively reducing carbon emission.

- Energy Conservation

  Raise awareness among employees to conserve energy as much as they can 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 to the "off" mode when machines, plant or other electronic and electrical equipment, such as computers, servers, electric fans, air-conditioners, lightings, etc. are not in use, during lunch breaks or recess;
  o Replacing faulty electrical items with energy saving products such as LED lights and air-conditioner with an inverter; and
  o Encourage our staff to car pool, or take public transport when commuting to office.

SUSTAINABILITY STATEMENT
[CONTINUED]

OUR IMPACT ON THE ENVIRONMENT (CONTINUED)

- Recycle and Reduce
  - o Promote paperless office culture through electronic documents to replace hard copy documents; mode of communication and correspondences among staff and peers are slowly shifting to paperless form;
  - o Reuse and recycle office stationeries, where ever permissible, waste paper and paper products, soft and hard cover files are reused to reduce wastage and degradation of resources; and
  - o Production waste and leftovers will be either recycled or returned to suppliers for proper disposal.

- End of Life Sales Products
  - o Obsolete and end of life sales products which comprises wire, PCBA, plastic parts and components will be disposed of to an authorised waste disposal company.

OUR IMPACT ON THE SOCIAL

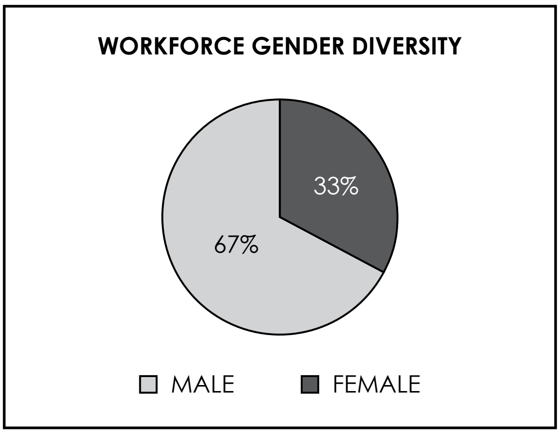
<u>WORKPLACE</u>

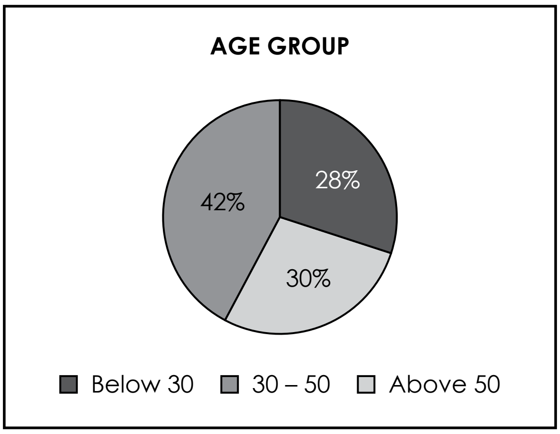
Human resource is one of our Group's biggest asset. Employees play a vital role and are one of the prioritised stakeholders that will have great influence towards our business success and sustainability.

- Employment Diversity and Equal Opportunity

  We emphasise on 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.

  The Group's workforce profile is presented below:-





In term of age, 70% of our staff are below 50 years old which constitute an energetic workforce supporting the 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 the Group's succession planning, our recruitment policy for ICT segment is focused on continuing to bring 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)

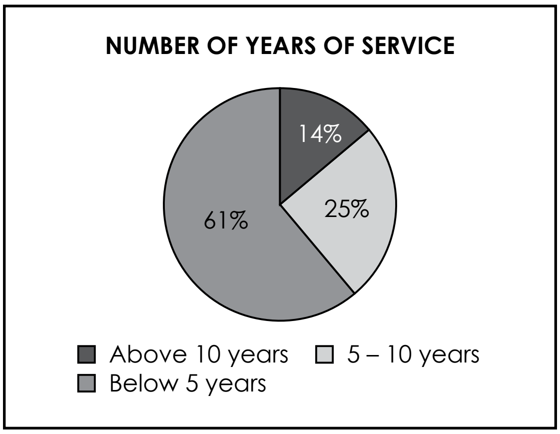
WORKPLACE (CONTINUED)

- Occupational Health and Safety

  The Group placed high emphasis on the health and safety of our employees. It is vital that they stay in tip-top working condition all the time. We are committed to provide a safe and healthy working environment for employees and to ensure safe practices in all aspects of our operations and activities.

  The ICT segment has set up an internal Environment, Health and Safety ("EHS") Committee to lead continuous reviews and improvements to advocate for a cleaner, healthier and safe environment and to ensure compliance with all the environmental laws and EHS legislation is observed and practised. 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.

- Employees Training and Career Development



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

The 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 profession and to upgrade their skills on a regular basis. Trainings are in the form of internal and external trainings.

The Group adopts 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 manner will be determined based on the Group's performance from time to time. In this way, staff have the opportunity to engage directly with the individual management to understand each other's requirements and for transparency and improved communication.

OUR IMPACT ON THE SOCIAL (CONTINUED)

WORKPLACE (CONTINUED)

- 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. The Group holds monthly gatherings to celebrate staff birthdays and annual parties during major festive celebrations to promote employees' engagement.

  Our office and factory premises are certified fit for their purposes and are well lit and fully air-conditioned. Entrance doors with electronic passwords act 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

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

We thrive to foster a work-life balance working culture for our employees. Therefore, we continue to encourage and support staff to participate in physical activities and regular sports activities such as badminton, bowling and sports tournaments.

The Group offers short term internship programmes to students and job positions to fresh graduates from local higher learning institutions and universities majoring in surveying science, geoinformatics and geomatics for various positions in our ICT segment.

CONCLUSION

One of our financial goals is to enhance our shareholders' value. But that is not all: we will achieve it by adopting environmentally responsible practices and sound social policies. Henceforth, we will continue to integrate sustainability practices in our day-to-day processes as part of our culture and long-term commitment to sustainability as we believe that in the long run, all these initiatives will translate into benefits resulting from improved public image and relations, the ability to attract and retain competent employees, customer loyalty and sales, and reduced spending, which collectively contribute to higher profitability. We believe we have taken the first step in the right direction to address the various sustainable issues.

We acknowledge that all our efforts enumerated herein will be meaningless if a mechanism to measure our performance is lacking. To this end, we have already embarked on a research and study to seek the most readily available, reliable yet economical, performance indicators.

ADDITIONAL COMPLIANCE INFORMATION

(a) Utilisation of proceeds raised from corporate proposal

The Company had issued and allotted an aggregate of 4,920,000 new AHB Shares ("Placement Shares") in two (2) tranches on 30 May 2018 and 26 November 2018 raising total gross proceeds of RM3,055,400. The private placement was completed following the listing of the entire Placement Shares on the MMLR of Bursa Securities on 28 November 2018. The status of utilisation of proceeds is set out below:-

Purpose	Propose Utilisation RM	* Reallocation RM	Actual Utilisation RM	Balance Utilisation RM	Time frame for utilisation upon completion
Project related expenditure	2,925	22	(1,682)	1,265	Within 24 months
Expenses relating to the private placement	130	(22)	(108)	–	Within 1 month
	3,055	–	(1,790)	1,265	

* Proceeds allocated for this purpose had been fully utilised on 4 December 2018. The under utilisation of approximately RM22,000 was used for project related expenditure.

(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 2019 were as follows:-

	Group RM'000	Company RM'000
Audit Fees	138	70
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 for the financial year ended 30 November 2019 are as disclosed in Note 35 of the accompanying audited financial statements.

AUDIT COMMITTEE REPORT

The Board ("Board") of the Company is pleased to present the report on the Audit Committee for the financial year ended 30 November 2019.

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 as independent non-executive director, 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 2019 and the attendance of each member of the Audit Committee is as follows:

Members	Attendance of meetings
Ir. Chew Yook Boo	5/5
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	5/5
Mr. Siow Hock Lee	4/5

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 include the following:-

(1) Financial Reporting

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

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

(b) Reviewed and made recommendations to the Board in respect of the audited financial statements of the Company and Group for the financial year ended 30 November 2019 and to ensure it presented a true and fair view of the Company's financial position and performance for the year and compliance with regulatory requirements.

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, audit approach, key audit matters and relevant technical pronouncements and accounting standards.

(b) 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 Bylaws of the Malaysian Institute of Accountants.

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

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

(4) Related Party Transactions

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

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

(5) Other Matters

(a) Reviewed the Statement on Risk Management and Internal Control which provided an overview of internal controls within the Group prior to the Board's approval for inclusion in the Annual Report. The Statement on Risk Management and Internal Control which had been reviewed by the external auditors is set out on pages 45 to 47 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 controls 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 auditors reports directly to the Audit Committee and undertakes internal audit function in a systematic and cyclic basis and on selected business processes. The internal auditors adopts a risk-based approach and prepares its audit plan based on the risk profiles of the major business segments of the Group. The internal audit plan is assessed annually by the Audit Committee and the Board to ensure the plan remains relevant and aligned with the Group's key business risks and business strategies which may change in response to the dynamics of its operating environment. The internal auditors tabled the results of their review to the Audit Committee during its quarterly meeting and as and when necessary. The results of internal auditors review containing audit findings, management's response and recommended corrective actions were presented to the Audit Committee for discussion and deliberation. Follow up reviews on previous audit issues were carried out in order to ensure that the recommendations made by the internal auditors on areas of improvement identified are adopted or necessary corrective actions have been or are being taken by the management.

The Group outsourced its internal audit function to a professional service firm, PKM Partners (M) Sdn. Bhd. ("PKM") to 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 discharge of its responsibilities:-

(i) carried out annual review of the Company's enterprise risk assessment focusing mainly on its core business segments of Information & Communication Technology and Infrastructure and Services, update the Group's risk management report and present the report to the Audit Committee and Board; and

(ii) assisted the management to initiate, facilitate and implement sustainability into the Group's business and to support sustainability reporting.

Based on their review conducted, none of the weaknesses noted have resulted in material losses, contingencies or uncertainties to the Group. The total fees paid to the internal auditors in respect of the Group's internal audit functions for the financial year ended 30 November 2019 was RM46,704.

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board is pleased to present the Group's Statement on Risk Management and Internal Control ("Statement") for the financial year ended 30 November 2019, which is prepared in accordance with paragraph 15.26 (b) of the MMLR of Bursa Securities and as guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers ("Guidelines").

THE BOARD'S RESPONSIBILITIES

The Board recognises its overall responsibility in 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 & 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 reviews 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 of Strategic Business Unit ("SBU") heads together with key management and is assisted by the internal auditors to determine and communicate policy, objectives, procedures and guidelines. The 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; and
- To ensure that the Group adopts the COSO's principles and methodologies to determine the risk appetite.

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.

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

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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[CONTINUED]

THE RISK MANAGEMENT FRAMEWORK (CONTINUED)

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 controls implemented to address the risks concerned. The risks associated with key business units are identified, assessed and categorised to highlight the root causes of risks, their impacts and the likelihood of occurrence. Risk profiles for the key business units are presented to the ERMC and the Board for deliberation and approval for adoption. Appropriate action plans are formulated to address any key risks identified by management depending on the magnitude of each risk. The SBU heads also prepare actions plans to address and manage the key risks and control issues as highlighted by the internal auditors.

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

KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

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

- IATF 16949:2016 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. 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 requires timely decision making and action plan as and when necessary;
- 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 monthly target setting process, which include amongst others sales forecast, planned projects expenses and capital expenditure for key operations with 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; and
- Provision of internal and external training programmes to enhance staff competency and skill set.

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 to the Audit Committee.

A description of the internal audit functions and activities of PKM during the financial year ended 30 November 2019 can be found in the Audit Committee Report as set out on pages 41 to 44 of this Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

[CONTINUED]

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 to strengthen it when necessary in line with the changes and challenges in the business environment in which the Group operates in.

This Statement has been approved by the Board of Amtel Holdings Berhad resolution on 13 March 2020.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to Paragraph 15.23 of the MMLR of Bursa Securities, the external auditors have reviewed and reported the results thereof to the Board. The review was a limited assurance engagement performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and RPG 5 (Revised), *Guidance for Auditors on Engagements to Report on the Statement 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 Guidelines, nor is factually inaccurate.

DIRECTORS' RESPONSIBILITY STATEMENT

in respect of the preparation of the Audited Financial Statements

The Directors are responsible to ensure that the financial statements give a true and fair view of the financial position of the Group and of the Company as at the end of each financial year, and of their financial performance and cash flow 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 2019, the Directors have:-

- adopted suitable accounting policies that are consistently applied;
- made judgments and estimates that are reasonable and prudent;
- ensured that all applicable approved accounting standards have been followed; and
- prepared the financial statements on 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 Act 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 2019

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 2019.

PRINCIPAL ACTIVITIES

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

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

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	4,828,338	4,152,646
Profit attributable to:		
Owners of the Company	4,828,338	4,152,646

DIVIDEND

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 30 November 2019.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

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

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

DIRECTORS' REPORT
[CONTINUED]

CURRENT ASSETS

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

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(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, no new issue of shares or debentures were made by the Company.

DIRECTORS' REPORT
[CONTINUED]

DIRECTORS

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

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

* Directors of the Company and certain subsidiaries

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

Lim Hun Teik	
Chin Wou Chau	
Koid Siang Loong	
Lee Chye Khern	
Wong Shok Fan	
Leong Sok Yee	(Appointed on 30 June 2019)
Chong Wei Hwa	(Resigned on 5 December 2019)
Ee Fook Choon	(Resigned on 1 July 2019)

DIRECTORS' INTERESTS

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

	Number of Ordinary Shares			
	At 1 December 2018	Bought	Sold	At 30 November 2019
Direct interest:				
Dato' Koid Hun Kian	8,086,088	200,000	–	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
Indirect interest:				
Dato' Koid Hun Kian *	5,563,003	761,200	–	6,324,203
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. 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' REPORT
[CONTINUED]

DIRECTORS' BENEFITS

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

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of insurance coverage and insurance premium paid for the directors and certain 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 accounts of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 41 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Details of significant events subsequent to the end of the financial year are disclosed in Note 42 to the financial statements.

AUDITORS' REMUNERATION

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

INDEMNITY TO AUDITORS

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

DIRECTORS' REPORT
[CONTINUED]

AUDITORS

The auditors, Messrs. Baker Tilly Monteiro Heng 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: 13 March 2020

STATEMENTS OF FINANCIAL POSITION

as at 30 November 2019

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	2,005,757	2,567,340	21,807	25,182
Investment in subsidiaries	6	–	–	18,016,075	18,016,075
Investment in an associate	7	1,216,291	1,077,703	–	–
Intangible assets	8	1	1	–	–
Other investments	9	250,000	250,000	–	–
Investment properties	10	1,653,717	168,717	–	–
Deferred tax assets	11	445,199	–	–	–
Total non-current assets		5,570,965	4,063,761	18,037,882	18,041,257
Current assets					
Inventories	12	3,849,918	3,387,756	–	–
Other investments	9	21,195,407	4,075,897	9,264,209	553,852
Trade receivables	13	8,134,024	12,287,680	–	–
Other receivables, deposits and prepayments	14	2,682,369	9,005,900	1,954,902	8,273,930
Contract assets	15	1,320,815	–	–	–
Dividend receivables		–	–	3,510,000	–
Tax assets	16	30,039	620,041	–	–
Amount owing by subsidiaries	17	–	–	4,391,139	3,287,168
Amount owing by an associate	18	42,423	1,306,271	4,166	3,846
Cash deposits with licensed banks	19	8,922,315	8,626,192	–	–
Cash and bank balances	20	13,750,069	18,158,588	2,966,337	7,152,769
Total current assets		59,927,379	57,468,325	22,090,753	19,271,565
TOTAL ASSETS		65,498,344	61,532,086	40,128,635	37,312,822

STATEMENTS OF FINANCIAL POSITION

as at 30 November 2019

[CONTINUED]

		Group		Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	21	32,301,203	32,301,203	32,301,203	32,301,203
Reserves	22	17,723,245	12,893,334	2,880,734	(1,271,912)
Total equity		50,024,448	45,194,537	35,181,937	31,029,291
Liabilities					
Non-current liabilities					
Finance lease payables	23	239,955	289,294	–	–
Deferred tax liabilities	11	86,873	141,984	–	–
Total non-current liabilities		326,828	431,278	–	–
Current liabilities					
Trade payables	24	8,902,826	10,864,869	–	–
Other payables, deposits and accruals	25	3,835,339	3,027,068	338,776	488,587
Amount owing to subsidiaries	17	–	–	4,563,191	5,755,520
Amount owing to an associate	18	–	6,000	–	–
Provisions	26	1,011,583	534,923	44,245	38,938
Bank borrowings	27	136,444	1,216,152	–	–
Finance lease payables	23	126,807	117,699	–	–
Tax liabilities		1,134,069	139,560	486	486
Total current liabilities		15,147,068	15,906,271	4,946,698	6,283,531
Total liabilities		15,473,896	16,337,549	4,946,698	6,283,531
TOTAL EQUITY AND LIABILITIES		65,498,344	61,532,086	40,128,635	37,312,822

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

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 November 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Continuing operations					
Revenue	29	63,169,525	50,548,089	6,576,000	1,867,600
Cost of sales	30	(48,314,577)	(42,054,853)	–	–
Gross profit		14,854,948	8,493,236	6,576,000	1,867,600
Other operating income		1,140,614	1,092,633	354,424	607,525
Distribution expenses		(436,741)	(449,444)	–	–
Administrative expenses		(7,504,159)	(5,686,133)	(2,366,011)	(1,703,269)
Other operating expenses		(2,026,155)	(2,073,845)	(411,767)	(440,579)
		(9,967,055)	(8,209,422)	(2,777,778)	(2,143,848)
Profit from operations		6,028,507	1,376,447	4,152,646	331,277
Finance costs		(77,636)	(81,847)	–	–
Share of results of associate		345,714	140,363	–	–
Profit before tax	31	6,296,585	1,434,963	4,152,646	331,277
Tax expense	32	(1,468,247)	(696,795)	–	–
Profit for the financial year from continuing operations		4,828,338	738,168	4,152,646	331,277
Profit for the financial year from discontinued operation, net of tax	33	–	284,481	–	–
Profit for the financial year		4,828,338	1,022,649	4,152,646	331,277
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Foreign currency translation		1,573	1,341	–	–
Total comprehensive income for the financial year		4,829,911	1,023,990	4,152,646	331,277

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 30 November 2019

[CONTINUED]

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Profit for the financial year attributable to:					
Owners of the Company					
- From continuing operations		4,828,338	772,983	4,152,646	331,277
- From discontinued operation		–	284,481	–	–
		4,828,338	1,057,464	4,152,646	331,277
Non-controlling interests					
- From continuing operations		–	(34,815)	–	–
		4,828,338	1,022,649	4,152,646	331,277
Total comprehensive income attributable to:					
Owners of the Company					
- From continuing operations		4,829,911	774,324	4,152,646	331,277
- From discontinued operation		–	284,481	–	–
		4,829,911	1,058,805	4,152,646	331,277
Non-controlling interests					
- From continuing operations		–	(34,815)	–	–
		4,829,911	1,023,990	4,152,646	331,277

	Note	2019	2018
Earnings per share (sen)			
Basic earnings per share			
- From continuing operations	34	8.91	1.56
- From discontinued operation	34	–	0.57
		8.91	2.13
Diluted earnings per share			
- From continuing operations	34	8.91	1.56
- From discontinued operation	34	–	0.57
		8.91	2.13

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

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 November 2019

Group	Note	← Attributable to Owners of the Company				→		
		Share Capital RM	Fair Value Adjustment Reserve RM	Foreign Exchange Reserve RM	Retained Earnings RM	Sub-total RM	Non-controlling Interests RM	Total Equity RM
At 1 December 2017		29,245,803	159,000	35,265	11,619,848	41,059,916	1,890,398	42,950,314
Comprehensive income								
Profit for the financial year		–	–	–	1,057,464	1,057,464	(34,815)	1,022,649
Other comprehensive income for the financial year		–	–	1,341	–	1,341	–	1,341
Total comprehensive income for the financial year		–	–	1,341	1,057,464	1,058,805	(34,815)	1,023,990
Transactions with owners								
Issue of ordinary shares		3,055,400	–	–	–	3,055,400	–	3,055,400
Acquisition of non-controlling interest	6(d)	–	–	–	20,416	20,416	(1,855,583)	(1,835,167)
Total transactions with owners		3,055,400	–	–	20,416	3,075,816	(1,855,583)	1,220,233
At 30 November 2018		32,301,203	159,000	36,606	12,697,728	45,194,537	–	45,194,537

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 November 2019

[CONTINUED]

Group	Note	← Share Capital RM	Fair Value Adjustment Reserve RM	Attributable to Owners of the Company Fair Value Reserve of Financial Assets at FVOCI RM	Foreign Exchange Reserve RM	Retained Earnings RM →	Total Equity RM
At 1 December 2018							
As previously reported		32,301,203	159,000	–	36,606	12,697,728	45,194,537
Change in accounting policy	2.2	–	(159,000)	159,000	–	–	–
Restated balance at 1 December 2018		32,301,203	–	159,000	36,606	12,697,728	45,194,537
Comprehensive income							
Profit for the financial year		–	–	–	–	4,828,338	4,828,338
Other comprehensive income for the financial year		–	–	–	1,573	–	1,573
Total comprehensive income for the financial year		–	–	–	1,573	4,828,338	4,829,911
At 30 November 2019		32,301,203	–	159,000	38,179	17,526,066	50,024,448

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 30 November 2019

[CONTINUED]

Company	Share Capital RM	(Accumulated Losses)/ Retained Earnings RM	Total Equity RM
At 1 December 2017	29,245,803	(1,603,189)	27,642,614
Comprehensive income			
Profit for the financial year	–	331,277	331,277
Total comprehensive income for the financial year	–	331,277	331,277
Transaction with owners			
Issue of ordinary shares	3,055,400	–	3,055,400
Total transaction with owners	3,055,400	–	3,055,400
At 30 November 2018	32,301,203	(1,271,912)	31,029,291
Comprehensive income			
Profit for the financial year	–	4,152,646	4,152,646
Total comprehensive income for the financial year	–	4,152,646	4,152,646
At 30 November 2019	32,301,203	2,880,734	35,181,937

STATEMENTS OF CASH FLOWS

for the financial year ended 30 November 2019

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Cash flows from operating activities					
Profit before tax					
- From continuing operations		6,296,585	1,434,963	4,152,646	331,277
- From discontinued operation		–	284,481	–	–
		6,296,585	1,719,444	4,152,646	331,277
Adjustments for:					
Amortisation of intangible assets		–	581,336	–	–
Depreciation of property, plant and equipment		942,874	997,707	17,445	18,761
Distribution income from fixed income funds		(537,842)	(361,490)	(210,358)	(37,933)
Dividend income		–	–	(5,424,000)	(510,300)
Gain on disposal of property, plant and equipment		(23,800)	(118,038)	–	–
Gain on disposal of subsidiaries		–	(975,243)	–	(500,000)
Property, plant and equipment written off		947	–	–	–
Impairment loss on:					
- other receivables		–	20,759	–	–
- trade receivables		–	1,044,900	–	–
Impairment of goodwill on business combination		–	97,483	–	–
Interest expense		77,636	81,847	–	–
Interest income		(465,272)	(371,771)	(57,528)	(13,414)
Inventories written off		7,777	–	–	–
Inventories written down		15,356	93,594	–	–
Net provision of warranty costs		496,985	392,744	–	–
Net provision/(reversal) for employee benefits		6,245	(28,415)	5,307	(7,601)
Utilisation of provision of warranty costs		(26,570)	–	–	–
Reversal of accruals		–	(43,349)	–	–
Share of results of associate		(345,714)	(140,363)	–	–
Unrealised loss on foreign exchange		15,159	28,424	–	–
Waiver of amounts owing by subsidiaries		–	–	1,300	1,300
Operating profit/(loss) before changes in working capital carried forward		6,460,366	3,019,569	(1,515,188)	(717,910)

STATEMENTS OF CASH FLOWS

for the financial year ended 30 November 2019

[CONTINUED]

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Cash flows from operating activities (Continued)					
Operating profit/(loss) before changes in working capital brought forward		6,460,366	3,019,569	(1,515,188)	(717,910)
<u>Changes in working capital:</u>					
Property development costs		–	(1,718,658)	–	–
Contract assets		(1,320,815)	–	–	–
Inventories		(461,919)	(1,083,897)	–	–
Receivables		4,282,674	4,708,997	6,515	1,731,460
Payables		(1,168,931)	1,660,283	(149,811)	92,011
Cash generated from/(used in) operations		7,791,375	6,586,294	(1,658,484)	1,105,561
Dividend received		183,750	–	1,914,000	510,300
Interest paid		(77,636)	(81,847)	–	–
Interest received		465,272	371,771	57,528	13,414
Income tax paid		(1,202,365)	(999,005)	–	–
Income tax refunded		818,319	7,225	–	–
Net cash from operating activities		7,978,715	5,884,438	313,044	1,629,275
Cash flows from investing activities					
Acquisition of non-controlling interest		–	(1,835,167)	–	–
Acquisition of a subsidiary		–	3,807,793	–	–
Additions in investment in subsidiaries		–	–	–	(1,635,455)
Repayment from/(Advances to) a former subsidiary		8,200,513	(8,200,513)	8,200,513	(8,200,513)
Repayment from/(Advances to) an associate		1,263,848	360,291	(320)	194,096
(Advances to)/Repayment from subsidiaries		–	–	(1,105,271)	5,049,293
Distribution income from fixed income fund		537,842	361,490	210,358	37,933
Proceeds from disposal of subsidiaries		–	4,141,306	–	4,610,026
Net change in pledged deposits		883,601	(265,949)	–	–
Net (placement)/withdrawal of fixed income funds		(17,119,510)	7,545,228	(8,710,357)	1,212,067
Net cash (used in)/from investing activities carried forward		(6,233,706)	5,914,479	(1,405,077)	1,267,447

STATEMENTS OF CASH FLOWS

for the financial year ended 30 November 2019

[CONTINUED]

		Group		Company	
	Note	2019 RM	2018 RM	2019 RM	2018 RM
Cash flows from investing activities (Continued)					
Net cash (used in)/from investing activities brought forward		(6,233,706)	5,914,479	(1,405,077)	1,267,447
Proceeds from disposal of property, plant and equipment		114,348	190,803	–	–
Purchase of property, plant and equipment	5	(387,786)	(1,428,422)	(14,070)	(15,522)
Purchase of investment properties	10	(1,485,000)	–	–	–
Deposits paid for acquisition of properties		(2,006,000)	–	(1,888,000)	–
Net cash (used in)/from investing activities		(9,998,144)	4,676,860	(3,307,147)	1,251,925
Cash flows from financing activities	(a)				
(Repayment to)/Advances from an associate		(6,000)	6,000	–	–
(Repayment to)/Advances from subsidiaries		–	–	(1,192,329)	993,219
Proceeds from issuance of shares		–	3,055,400	–	3,055,400
Payment of finance lease payables		(125,231)	(140,137)	–	–
Net cash (used in)/from financing activities		(131,231)	2,921,263	(1,192,329)	4,048,619
Net (decrease)/increase in cash and cash equivalents		(2,150,660)	13,482,561	(4,186,432)	6,929,819
Cash and cash equivalents at the beginning of the financial year		16,942,436	3,458,534	7,152,769	222,950
Effects of foreign exchange rate changes		1,573	1,341	–	–
Cash and cash equivalents at the end of the financial year	28	14,793,349	16,942,436	2,966,337	7,152,769

STATEMENTS OF CASH FLOWS

for the financial year ended 30 November 2019

[CONTINUED]

(a) Reconciliation of liabilities arising from financing activities:

Group

	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

	Note	1 December 2017 RM	Cash flows RM	Non-cash Addition RM	30 November 2018 RM
Finance lease payables	23	497,130	(140,137)	50,000	406,993

Company

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

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

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 13 March 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

New MFRSs	
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers

Amendments/Improvements to MFRSs	
MFRS 1	First-time adoption of MFRSs
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property

New IC Int	
IC Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of the above new MFRSs, 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, except for those as discussed below.

2. BASIS OF PREPARATION (CONTINUED)

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

MFRS 9 Financial Instruments

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

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held.

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

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses which replaced the "incurred loss" model in MFRS 139. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised. Trade receivables and contract assets that do not contain a significant financing component shall always measure the loss allowance at an amount equal lifetime expected credit losses.

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

The retrospective application of MFRS 9 does not require restatement of 2018 comparative financial statements. As such, the Group and the Company have not restated the comparative information, which continues to be reported under MFRS 139. The Group and the Company recognised any difference between the carrying amount of financial instruments under MFRS 139 and the restated carrying amount under MFRS 9 in the opening balance of retained earnings (or other equity components) of the annual reporting period including the date of initial application i.e. 1 December 2018.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

2. BASIS OF PREPARATION (CONTINUED)

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

MFRS 9 Financial Instruments (Continued)

Impact of the adoption of MFRS 9

The adoption of MFRS 9 resulted in changes in accounting policies and enhanced new disclosures relating to financial instruments, which the Group and the Company have complied with in the current financial year, the adoption 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

The following are the changes in the classification of the Group's and the Company's financial assets and financial liabilities:

- Trade and other receivables and other financial assets including refundable deposits and cash and cash equivalents previously classified as Loans and Receivables under MFRS 139 as at 30 November 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Accordingly, these financial assets are classified and measured as debt instruments at amortised cost ("AC") beginning 1 December 2018.
- Other investment – transferable club membership previously classified as Available-for-sale ("AFS") financial assets under MFRS 139 as at 30 November 2018 are classified and measured at fair value through other comprehensive income ("FVOCI") beginning 1 December 2018 as this investment is not held for trading.
- Trade and other payables and borrowings previously classified as other financial liabilities under MFRS 139 as at 30 November 2018 are classified as amortised cost beginning 1 December 2018.

In summary, upon the adoption of MFRS 9, the Group and the Company had the following reclassifications as at 1 December 2018:

MFRS 139 Measurement Category	Carrying amount RM	FVOCI RM	AC RM
Group			
Financial assets			
Available-for-sale			
Transferable club membership	250,000	250,000	–
Loan and receivables			
Trade receivables #	7,221,880	–	7,221,880
Other receivables and deposits *	8,576,766	–	8,576,766
Amount owing by an associate	1,306,271	–	1,306,271
Cash deposits with licensed banks	8,626,192	–	8,626,192
Cash and bank balances	18,158,588	–	18,158,588
	43,889,697	–	43,889,697

2. BASIS OF PREPARATION (CONTINUED)

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

MFRS 9 Financial Instruments (Continued)

Impact of the adoption of MFRS 9 (Continued)

(i) Classification and measurement (Continued)

MFRS 139 Measurement Category	Carrying amount RM	AC RM
Group		
Financial liabilities		
Other financial liabilities		
Trade payables	10,864,869	10,864,869
Other payables, deposits and accruals ^	2,988,399	2,988,399
Amount owing to an associate	6,000	6,000
Bank borrowings	1,216,152	1,216,152
Finance lease payables	406,993	406,993
	15,482,413	15,482,413
Company		
Financial assets		
Loan and receivables		
Other receivables and deposits *	8,258,510	8,258,510
Amount owing by subsidiaries	3,287,168	3,287,168
Amount owing by an associate	3,846	3,846
Cash and bank balances	7,152,769	7,152,769
	18,702,293	18,702,293
Company		
Financial liabilities		
Other financial liabilities		
Other payables, deposits and accruals ^	488,587	488,587
Amount owing to a subsidiary	5,755,520	5,755,520
	6,244,107	6,244,107

* *Exclude GST refundable and prepayment*
^ *Exclude GST payable*
\# *Exclude amount due from contract customers*

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

2. BASIS OF PREPARATION (CONTINUED)

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

MFRS 15 Revenue from Contracts with Customers

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

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

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

The following MFRSs and IC Interpretations have been withdrawn on the application of MFRS 15:

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

The Group and the Company have applied MFRS 15 retrospectively with any cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application of 1 December 2018. As such, the comparative information was not restated and continues to be reported under MFRS 111, MFRS 118 and related Interpretations. The Group and the Company have elected the practical expedient to apply the standard only to contracts that are not completed as at 1 December 2018. The Group and the Company also elected the practical expedient of not to retrospectively restate the contract for those modifications before the date of initial application, but instead, to reflect the aggregate effect of all past contract modifications when identifying the performance obligations, and determining and allocating the transaction price to the satisfied and unsatisfied performance obligations.

Impact of the adoption of MFRS 15

The adoption of MFRS 15 resulted in changes in accounting policies and enhanced new disclosures relating to contracts with customers, which the Group and the Company have complied with in the current financial year. The adoption 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.

Presentation of contract assets and contract liabilities

The Group has changed the presentation of certain amounts in the statements of financial position to reflect the terminology of MFRS 15. In particular, amounts recognised in relation to infrastructure project contracts which were previously presented as part of amount owing to/by contract customers are now presented as contract liabilities/assets.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

2. BASIS OF PREPARATION (CONTINUED)

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

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

		Effective for financial periods beginning on or after
New MFRSs		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*/ 1 January 2021#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021#
MFRS 9	Financial Instruments	1 January 2019/ 1 January 2021#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*/ 1 January 2021#
MFRS 107	Statements of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Error	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2019/ 1 January 2021#
MFRS 123	Borrowing Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred/ 1 January 2021#
MFRS 132	Financial instruments: Presentation	1 January 2021#
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/ 1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021#
MFRS 140	Investment Property	1 January 2021#

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

2. BASIS OF PREPARATION (CONTINUED)

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

		Effective for financial periods beginning on or after
<u>New IC Int</u>		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets - Web Site Costs	1 January 2020*

* *Amendments to References to the Conceptual Framework in MFRS Standards*
\# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

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

MFRS 16 Leases

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

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

On initial adoption of MFRS 16, there may be impact on the accounting treatment for leases, which the Group as a lessee currently accounts for as operating leases. On adoption of this standard, the Group will be required to capitalise its rented premises and equipment on the statements of financial position by recognising them as "rights-of-use" assets and their corresponding lease liabilities for the present value of future lease payments.

The Group and the Company plan to adopt this standard when it becomes effective in the financial year beginning 1 December 2019 by applying the transitional provisions and include the required additional disclosures in their financial statements of that year. The Group is likely electing the practical expedient not to reassess whether a contract contains a lease at the date of initial application. Accordingly, existing lease contracts that are still effective on 1 December 2019 will be accounted for as lease contracts under MFRS 16.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint to which the equity method is not applied.

2. BASIS OF PREPARATION (CONTINUED)

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

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

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

Amendments to References to the Conceptual Framework in MFRS Standards

The Malaysian Accounting Standards Board has issued a *revised Conceptual Framework for Financial Reporting* and amendments to fourteen Standards under the Malaysian Financial Reporting Standards Framework on 30 April 2018.

The revised Conceptual Framework comprises a comprehensive set of concepts of financial reporting. It is built on the previous version of the Conceptual Framework issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wordings to give more prominence to the importance of providing information need to assess management's stewardship of the entity's economic resources.

Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular the definition of a liability – and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

The amendments to the fourteen Standards are to update the references and quotations in these Standards which include MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Int 12, IC Int 19, IC Int 20, IC Int 22 and IC Int 132.

2.3.1 The Group is currently performing an analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int.

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.

NOTES TO THE FINANCIAL STATEMENTS

[CONTINUED]

2. BASIS OF PREPARATION (CONTINUED)

2.6 Use of estimates and judgement

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Basis of consolidation and economic entities

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.

(a) Subsidiaries and business combination

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

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(a) Subsidiaries and business combination (Continued)

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

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

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

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

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

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

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

(b) Non-controlling interests

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

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of consolidation and economic entities (Continued)

(c) Associates

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

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

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

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

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

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.

(d) 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.

3.2 Separate financial statements

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Accounting policies applied from 1 December 2018

Except for the trade receivables that do not contain a significant financing component, 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 are measured at the transaction price determined under MFRS 15.

(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.

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied from 1 December 2018 (Continued)

(a) Subsequent measurement (Continued)

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

(i) Financial assets (Continued)

Debt instruments (Continued)

- **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). 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied from 1 December 2018 (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 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 through the amortisation process.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied from 1 December 2018 (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, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

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

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

Trade date accounting refers to:

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

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) 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 under a 'pass-through' arrangement; 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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied from 1 December 2018 (Continued)

(d) Derecognition (Continued)

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.

(e) 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.

Accounting policies applied until 30 November 2018

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied until 30 November 2018 (Continued)

(a) Subsequent measurement

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

(i) Financial assets

Financial assets at fair value through profit or loss

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

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

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

Loans and receivables

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

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

Held-to-maturity investments

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

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied until 30 November 2018 (Continued)

(a) Subsequent measurement (Continued)

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

(i) Financial assets (Continued)

Available-for-sale financial assets

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

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

Unquoted equity instruments carried at cost

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

(ii) Financial liabilities

Financial liabilities at fair value through profit or loss

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

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

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

Other financial liabilities

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Financial instruments (Continued)

Accounting policies applied until 30 November 2018 (Continued)

(b) Financial guarantee contracts

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

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

(c) Regular way purchase or sale of financial assets

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

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

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

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

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

(e) Offsetting of financial instruments

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Property, plant and equipment

(a) Recognition and measurement

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

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Leases

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

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

(a) Lessee accounting

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

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

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

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

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

(b) Lessor accounting

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

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Investment properties

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

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

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

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

3.8 Goodwill and other intangible assets

(a) Goodwill

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

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

(b) Research and development costs

Research costs are recognised in profit or loss as incurred.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Goodwill and other intangible assets (Continued)

(c) Licenses

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

(d) Amortisation

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

	Method	Useful life (years)
License rights	Straight-line	5
Development costs	Straight-line	3-5

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets

(a) Impairment of financial assets and contract assets

Accounting policies applied from 1 December 2018

Financial assets measured at amortised cost, fair value through other comprehensive income ("FVOCI"), lease receivables, contract assets or a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 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, contract assets and lease receivables, 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

Accounting policies applied from 1 December 2018 (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 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.

Accounting policies applied until 30 November 2018

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

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

Accounting policies applied until 30 November 2018 (Continued)

Loans and receivables and held-to-maturity investments

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

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

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

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

Available-for-sale financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.12 Impairment of assets (Continued)

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

Accounting policies applied until 30 November 2018 (Continued)

Unquoted equity instruments carried at cost

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

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Share capital

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.

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

<u>Accounting policies applied from 1 December 2018</u>

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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Accounting policies applied from 1 December 2018 (Continued)

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.

(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.

(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).

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Accounting policies applied from 1 December 2018 (Continued)

Financing components (Continued)

(b) Infrastructure project contracts (Continued)

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.

(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.

(e) Distribution income

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

(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.

Accounting policies applied until 30 November 2018

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

(a) Goods sold

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.16 Revenue and other income (Continued)

Accounting policies applied until 30 November 2018 (Continued)

(b) Services

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

(c) Infrastructure project contract

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

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

(d) Property development

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

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

(e) Rental income

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

(f) Distribution income

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

(g) Interest income

Interest income is recognised using the effective interest method.

(h) Management fee income

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 in the period in which they are incurred by using the effective interest method.

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

3.18 Income tax

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

(a) Current tax

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

(b) Deferred tax

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

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.18 Income tax (Continued)

(b) Deferred tax (Continued)

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.

3.19 Discontinued operation

A disposal group qualifies as discontinued operation of it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is represented as if the operation has been discontinued from the start of the comparative period.

3.20 Earnings per share

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

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

3.21 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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22 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.

3.23 Contingencies

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

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

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

(a) Infrastructure project contract revenue (Note 29)

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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

5. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost						
At 1 December 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
Accumulated depreciation and impairment loss						
At 1 December 2018						
Accumulated depreciation	–	38,214	959,954	3,083,713	1,549,408	5,631,289
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	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
	–	40,414	1,274,277	3,353,858	1,751,794	6,420,343
Net carrying amount						
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)

Group	Freehold land RM	Buildings RM	Plant, machinery and tools RM	Renovation, furniture, fixture, fittings, office and computer equipment and electrical installation RM	Motor vehicles RM	Total RM
Cost						
At 1 December 2017	40,000	122,365	1,080,059	3,940,074	2,496,556	7,679,054
Additions	–	–	608,863	69,972	799,587	1,478,422
Disposals	–	–	–	–	(565,466)	(565,466)
Acquisition of a subsidiary	–	–	9,048	8,224	134,900	152,172
Disposal of a subsidiary	–	–	(51,110)	(328,760)	–	(379,870)
At 30 November 2018	40,000	122,365	1,646,860	3,689,510	2,865,577	8,364,312
Accumulated depreciation and impairment loss						
At 1 December 2017						
Accumulated depreciation	–	36,014	536,346	3,245,386	1,658,674	5,476,420
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	36,014	536,346	3,411,069	1,658,674	5,642,103
Depreciation charge for the financial year	–	2,200	474,718	137,354	383,435	997,707
Disposals	–	–	–	–	(492,701)	(492,701)
Disposal of a subsidiary	–	–	(51,110)	(299,027)	–	(350,137)
At 30 Novermber 2018	–	2,200	423,608	(161,673)	(109,266)	154,869
Accumulated depreciation	–	38,214	959,954	3,083,713	1,549,408	5,631,289
Accumulated impairment loss	–	–	–	165,683	–	165,683
	–	38,214	959,954	3,249,396	1,549,408	5,796,972
Net carrying amount						
At 30 November 2018	40,000	84,151	686,906	440,114	1,316,169	2,567,340

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fixture, fittings, office and computer equipment and electrical installation RM	Renovation RM	Total RM
Cost			
At 1 December 2018	421,344	3,785	425,129
Additions	14,070	–	14,070
At 30 November 2019	435,414	3,785	439,199
Accumulated depreciation and impairment loss			
At 1 December 2018			
Accumulated depreciation	390,619	2,279	392,898
Accumulated impairment loss	7,049	–	7,049
	397,668	2,279	399,947
Depreciation charge for the financial year	15,940	1,505	17,445
At 30 November 2019	413,608	3,784	417,392
Net carrying amount			
At 30 November 2019	21,806	1	21,807
Cost			
At 1 December 2017	407,672	1,935	409,607
Additions	13,672	1,850	15,522
At 30 November 2018	421,344	3,785	425,129
Accumulated depreciation and impairment loss			
At 1 December 2017			
Accumulated depreciation	373,225	912	374,137
Accumulated impairment loss	7,049	–	7,049
	380,274	912	381,186
Depreciation charge for the financial year	17,394	1,367	18,761
At 30 November 2018	397,668	2,279	399,947
Net carrying amount			
At 30 November 2018	23,676	1,506	25,182

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Group	
	2019 RM	2018 RM
Cost		
Motor vehicles	777,374	1,211,625
Net carrying amount		
Motor vehicles	452,439	506,169

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Cash payments	387,786	1,428,422	14,070	15,522
Finance lease arrangement	85,000	50,000	–	–
	472,786	1,478,422	14,070	15,522

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2019 RM	2018 RM
Unquoted shares		
At cost		
At beginning of the financial year	19,772,662	30,578,904
Addition	–	1,635,455
Disposal	–	(5,397,032)
Strike-off	–	(7,044,665)
	19,772,662	19,772,662
Less: Accumulated impairment loss		
At beginning of the financial year	(1,756,587)	(10,088,258)
Disposal	–	1,287,006
Strike-off	–	7,044,665
	(1,756,587)	(1,756,587)
At end of the financial year	18,016,075	18,016,075

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2019	2018	Principal Activities
Held by the Company				
Amtel Cellular Sdn. Bhd.	Malaysia	100%	100%	Trading and distribution of telematics, electronics and telecommunication related products, vehicle products and related accessories.
Amtel Communications Sdn. Bhd.	Malaysia	100%	100%	Dormant.
Metrarama Sdn. Bhd.	Malaysia	100%	100%	Dealing in properties.
Amtel Resources Sdn. Bhd.	Malaysia	100%	100%	Contractors for installation, jointing and testing of utilities, telecommunications and fibre optic cables and associated civil works.
Held through Amtel Cellular Sdn. Bhd.				
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.
Held through Amtel Resources Sdn. Bhd.				
WAMM Bersekutu Sdn. Bhd. *(formerly known as Amtel Networks Sdn. Bhd.)*	Malaysia	100%	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.

NOTES TO THE FINANCIAL STATEMENTS
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6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Disposal of Lokatech Engineering Sdn. Bhd. *(formerly known as Amtel Engineering Sdn. Bhd.)*

In the previous financial year, the Company completed the disposal of its entire equity interest in Lokatech Engineering Sdn. Bhd. *(formerly known as Amtel Engineering Sdn. Bhd.)* for a total cash consideration of RM1,110,026.

(i) Summary of the effects of disposal of Lokatech Engineering Sdn. Bhd. (formerly known as Amtel Engineering Sdn. Bhd.)

	Group 2018 RM
Recognised:	
Cash consideration received	1,110,026
Derecognised:	
Identifiable net assets at disposal date:	
Plant and equipment	(29,733)
Trade receivables	(429,032)
Other receivables, deposits and prepayment	(47,540)
Amount owing by related company	(480,825)
Tax assets	(55,910)
Cash deposits with licensed banks	(300,720)
Cash and bank balances	(26,599)
Other payables and accruals	234,024
Provision	9,236
Amount owing to former holding company	212
Loss on disposal	(16,861)

(ii) Effects of disposal on cash flows:

	Group 2018 RM
Consideration received in cash	1,110,026
Less: Cash and cash equivalents of subsidiary disposed of	(26,599)
Net cash inflows on disposal	1,083,427

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Disposal of Mewah Amanjaya Sdn. Bhd.

In the previous financial year, the Company completed the disposal of its entire equity interest in Mewah Amanjaya Sdn. Bhd. for a total cash consideration of RM3,500,000. Consequently, the Company recognised a gain on disposal of RM500,000.

(i) *Summary of the effects of disposal of Mewah Amanjaya Sdn. Bhd.*

	Group 2018 RM
Recognised:	
Cash consideration received	3,500,000
Derecognised:	
Identifiable net assets at disposal date:	
Property development costs	(10,145,300)
Trade receivables	(394,156)
Deposits and prepayment	(76,675)
Tax assets	(90,100)
Cash deposits with licensed banks	(46,849)
Cash and bank balances	(442,121)
Trade payables	395,662
Other payables and accruals	8,291,643
Gain on disposal (Note 33)	992,104

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

	Group 2018 RM
Consideration received in cash	3,500,000
Less: Cash and cash equivalents of subsidiary disposed of	(442,121)
Net cash inflows on disposal	3,057,879

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of a subsidiary

In the previous financial year, Amtel Resources Sdn. Bhd. ("ARSB"), a 76.92% owned subsidiary of the Company purchased an additional 60% equity interest (representing 600,000 units of ordinary shares) in WAMM Bersekutu Sdn. Bhd. ("WAMM") *(formerly known as Amtel Networks Sdn. Bhd.)*, an associate of ARSB for a total cash consideration of RM135,000. Consequently, the Company's effective equity interest in WAMM increased from 40% to 100%.

Summary of effect on acquisition of subsidiary

(i) Purchase consideration

	Group 2018 RM
Cash consideration	135,000
Fair value of shares held in associate	137,800
	272,800

(ii) Effect of acquisition in statements of comprehensive income

From the date of acquisition, the subsidiary's contributed revenue and loss net of tax are as follows:

	Group 2018 RM
Revenue	373,581
Loss for the financial year	(46,252)

If the acquisition had occurred on 1 December 2017, the consolidated results of continuing operations for the previous financial year ended 30 November 2018 would have been as follows:

	Group 2018 RM
Revenue	50,561,364
Profit for the financial year	517,810

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(c) Acquisition of a subsidiary (Continued)

(iii) Identifiable assets acquired and liabilities assumed:

	Group 2018 RM
Assets	
Plant and equipment	152,172
Trade receivables	216,208
Other receivables, deposits and prepayment	64,652
Cash deposits with licensed banks	591,008
Cash and bank balances	3,942,793
Tax assets	39,139
Total assets	5,005,972
Liabilities	
Trade payables	(4,120,301)
Other payables and accruals	(143,886)
Amount owing to holding companies	(561,021)
Amount owing to related companies	(1,590)
Provisions	(3,857)
Total liabilities	(4,830,655)
Total identifiable net assets acquired	175,317
Goodwill on business combination	97,483
Fair value of consideration transferred	272,800

(iv) Net cash inflows arising from acquisition of subsidiary:

	Group 2018 RM
Consideration paid in cash	135,000
Less: Cash and cash equivalents of subsidiary acquired	(3,942,793)
Net cash inflows on acquisition	(3,807,793)

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Acquisition of non-controlling interest

(i) Amtel Resources Sdn. Bhd. ("ARSB")

In the previous financial year, the Company purchased an additional 23.08% equity interest (representing 299,970 ordinary shares) in ARSB, a subsidiary of the Company for a total cash consideration of RM1,635,454. Consequently, the Company's effective equity interest in ARSB increased from 76.92% to 100%.

(ii) Amnavi Sdn. Bhd. ("Amnavi")

In the previous financial year, Amtel Cellular Sdn. Bhd. ("AMCSB"), a wholly owned subsidiary of the Company acquired an additional 15% equity interest (representing 150,000 ordinary shares) in Amnavi, a subsidiary of AMCSB for a total cash consideration of RM199,713. Consequently, the Company's effective equity interest in Amnavi increased from 85% to 100%.

Effect of the increase in the Company's ownership interest is as follows:

	Amtel Resources Sdn. Bhd. RM	Amnavi Sdn. Bhd. RM	Total RM
Company			
2018			
Fair value of consideration transferred	1,635,454	199,713	1,835,167
Increase in share of net assets	(1,657,123)	(198,460)	(1,855,583)
Excess charged directly to equity	(21,669)	1,253	(20,416)

6. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Non-controlling interests in subsidiaries

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

	Amtel Resources Sdn. Bhd. RM	Amnavi Sdn. Bhd. RM	Amtel Mega Sdn. Bhd. RM	Total RM
Group				
2018				
Profit/(Loss) allocated to NCI, representing total comprehensive income/(loss) attributable to NCI	19,600	(54,415)	–	(34,815)

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

	Amtel Resources Sdn. Bhd. RM	Amnavi Sdn. Bhd. RM	Amtel Mega Sdn. Bhd. RM
Group			
2018			
Results			
Revenue	1,829,434	638,160	–
Profit/(Loss) for the financial year	86,094	(362,766)	–
Total comprehensive income/(loss)	86,094	(362,766)	–
Cash flows from operating activities	232,955	605,802	–
Cash flows used in investing activities	(857,705)	(388,862)	–
Cash flows used in financing activities	(241,291)	(54,784)	–

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

7. INVESTMENT IN AN ASSOCIATE

	Group 2019 RM	Group 2018 RM
Unquoted shares		
At cost		
At beginning of the financial year	202,360	308,461
Derecognised	–	(106,101)
At end of the financial year	202,360	202,360
Unquoted shares, at cost	202,360	202,360
Share of results of associate		
At beginning of the financial year	875,343	762,484
Current year share of results	322,338	144,558
Dividend received	(183,750)	–
Derecognised	–	(31,699)
At end of the financial year	1,013,931	875,343
	1,216,291	1,077,703

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

	Group 2019 RM	Group 2018 RM
As per investment in an associate	322,338	144,558
Elimination/(Reversal) of share of unrealised profit or sales by associate	23,376	(4,195)
As per statements of comprehensive income	345,714	140,363

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

7. INVESTMENT IN AN ASSOCIATE (CONTINUED)

Details of the associate are as follows:

Name of Company	Principal Place of Business/ Country of Incorporation	Effective Equity Interest 2019	Effective Equity Interest 2018	Principal Activities
Held through Amtel Cellular Sdn. Bhd.				
Milan Utama Sdn. Bhd.	Malaysia	35%	35%	Trading and distribution of telecommunication, telematics and information & communication technology products, installation & distribution of vehicle products and project implementation.

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

	Group 2019 RM	Group 2018 RM
Milan Utama Sdn. Bhd.		
Assets and liabilities		
Non-current assets	201,574	637,675
Current assets	5,074,069	6,257,096
Current liabilities	(1,800,526)	(3,815,615)
Net assets	3,475,117	3,079,156
Results		
Revenue	8,293,817	8,536,060
Profit for the financial year	920,967	440,339
Total comprehensive income	920,967	440,339

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

	Group 2019 RM	Group 2018 RM
Milan Utama Sdn. Bhd.		
Share of net assets of the Group, representing carrying amount in the statement of financial position	1,216,291	1,077,703
Share of results of the Group for the financial year	322,338	212,358
Dividend from associate	183,750	–

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

8. INTANGIBLE ASSETS

	License rights RM	Development costs RM	Development rights RM	Total RM
Group				
Cost				
At 1 December 2018/30 November 2019	–	2,155,184	–	2,155,184
Accumulated amortisation				
At 1 December 2018/30 November 2019	–	2,155,183	–	2,155,183
Net carrying amount				
At 30 November 2019	–	1	–	1
Cost				
At 1 December 2017	320,000	2,155,184	3,459,604	5,934,788
Disposal of a subsidiary	–	–	(3,459,604)	(3,459,604)
Written off	(320,000)	–	–	(320,000)
At 30 November 2018	–	2,155,184	–	2,155,184
Accumulated amortisation				
At 1 December 2017	320,000	1,573,847	3,459,604	5,353,451
Amortisation for the financial year	–	581,336	–	581,336
Disposal of a subsidiary	–	–	(3,459,604)	(3,459,604)
Written off	(320,000)	–	–	(320,000)
At 30 November 2018	–	2,155,183	–	2,155,183
Net carrying amount				
At 30 November 2018	–	1	–	1

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

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

9. OTHER INVESTMENTS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Non-current				
At fair value				
- Transferable club membership	250,000	250,000	–	–
Current				
At fair value				
- Fixed income funds	21,195,407	4,075,897	9,264,209	553,852

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

Investment in fixed income funds is redeemable upon one day notice (2018: one day notice).

10. INVESTMENT PROPERTIES

	Freehold land RM	Under construction RM	Total RM
Group			
Cost			
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
Cost			
At 1 December 2017/30 November 2018	168,717	–	168,717
Fair value			
At 30 November 2019	369,320	*	369,320
At 30 November 2018	422,080	–	422,080

* The Group determines that the fair value of investment property under construction is not reliably measured.

During the financial year, the direct operating expenses arising from investment properties amounted to RM819 (2018: 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 by the directors based on the relevant information available through internal research and their best estimates.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

11. DEFERRED TAX ASSETS/(LIABILITIES)

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

	Group 2019 RM	Group 2018 RM
Deferred tax assets		
At beginning of the financial year	–	–
Recognised in profit or loss (Note 32)	445,199	–
At end of the financial year	445,199	–
Deferred tax liabilities		
At beginning of the financial year	(141,984)	(95,925)
Recognised in profit or loss (Note 32)	55,111	(46,059)
At end of the financial year	(86,873)	(141,984)

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

	Group 2019 RM	Group 2018 RM
Deferred tax assets		
Differences between the carrying amount of property, plant and equipment and its tax base	150,537	–
Deductible temporary differences in respect of expenses	294,662	–
	445,199	–
Deferred tax liabilities		
Differences between the carrying amount of property, plant and equipment and its tax base	(91,447)	(158,174)
Taxable temporary differences in respect of income	–	(83,816)
Deductible temporary differences in respect of expenses	4,574	100,006
	(86,873)	(141,984)

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

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

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	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Unutilised tax losses	5,142,892	3,754,482	4,121,840	2,704,521
Unabsorbed capital allowances	1,256,132	1,226,482	1,104,184	1,088,272
Deductible temporary differences in respect of expenses	45,499	51,964	44,245	38,940
Differences between the carrying amounts of property, plant and equipment and their tax base	17,009	15,548	1,794	(2,224)
	6,461,532	5,048,476	5,272,063	3,829,509

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 2019 RM	**Company 2019 RM**
2025	3,661,019	2,704,521
2026	1,481,873	1,417,319
	5,142,892	4,121,840

12. INVENTORIES

	Group	
	2019 RM	**2018 RM**
At cost		
Trading goods	3,333,218	2,719,891
Work in progress	516,700	667,865
	3,849,918	3,387,756

During the financial year, inventories of the Group recognised as cost of sales amounted to RM32,331,880 (2018: RM25,556,112).

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

13. TRADE RECEIVABLES

		Group	
		2019 RM	2018 RM
Trade receivables	(a)	8,071,304	7,489,120
Less: Allowance for impairment loss		(10,000)	(368,289)
		8,061,304	7,120,831
Amount due from an associate	(b)	72,720	101,049
Amount due from contract customers	(c)	–	5,065,800
		8,134,024	12,287,680

(a) Trade receivables

The Group's normal trade credit terms extended to customers ranging from 30 days to 90 days (2018: 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:

	Group	
	2019 RM	2018 RM
At beginning of the financial year	368,289	358,289
Charge for the financial year *		
- Individually assessed	–	10,000
Written off	(358,289)	–
At end of the financial year	10,000	368,289

* Loss allowance disclosed in comparative period is based on incurred loss model in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*. Trade receivables that are individually determined to be credit-impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

The information about the credit exposures are disclosed in Note 38(b)(i).

(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 (2018: 30 days to 90 days).

13. TRADE RECEIVABLES (CONTINUED)

(c) Amount due from contract customers

	Group 2018 RM
Aggregate cost incurred to date	19,321,942
Add: Attributable profits	4,017,979
	23,339,921
Less: Progress billings	(18,274,121)
	5,065,800

In the current financial year, the amount due from contract customers is classified as contract assets.

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Company	
		2019 RM	2018 RM	2019 RM	2018 RM
Other receivables		139,960	8,333,356	6,972	8,210,130
Less: Allowance for impairment loss		(26,939)	(26,939)	(6,180)	(6,180)
	(a)	113,021	8,306,417	792	8,203,950
Deposits	(b)	2,202,735	270,349	1,942,560	54,560
GST refundable		97,070	154,834	1,182	4,030
Prepayments	(c)	269,543	274,300	10,368	11,390
		2,682,369	9,005,900	1,954,902	8,273,930

(a) Other receivables

Included in other receivables in the previous financial year was an amount of RM8,200,513 owed by a former subsidiary, and was fully settled during the financial year.

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
At beginning of the financial year	26,939	6,180	6,180	6,180
Charge for the financial year *				
- Individually assessed	–	20,759	–	–
At end of the financial year	26,939	26,939	6,180	6,180

* Loss allowance disclosed in comparative period is based on incurred loss model in accordance with MFRS 139 *Financial Instruments: Recognition and Measurement*. Other receivables that are individually determined to be credit-impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

14. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONTINUED)

(b) Deposits

Included in deposits of the Group and the Company is an amount of RM2,006,000 and RM1,888,000 (2018: RM Nil and RM Nil) respectively being deposits paid to acquire properties as disclosed in Note 41(b) and (c).

(c) Prepayments

Included in prepayments of the Group is an amount of RM172,970 (2018: RM200,935) being prepayments made to suppliers for purchase of trading goods.

15. CONTRACT ASSETS

The Group's contract assets relating to construction contracts are summarised as follows:

	Group 2019 RM
Contract assets	1,411,246
Contract liabilities	(90,341)
Total contract assets	1,320,815

	Group 2019 Contract assets increase/ (decrease) RM	Group 2019 Contract liabilities increase/ (decrease) RM
Group		
Increase due to progress billings, or cash received excluding amounts 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	(4,724,176)	–

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) AN ASSOCIATE

Included in the amount owing by an associate of the Group is an amount of RM Nil (2018: RM1,306,271) which is a financial assistance provided to Milan Utama Sdn. Bhd..

The amount owing by/(to) an associate is 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 2.95% to 3.35% (2018: 3.09% to 3.35%) per annum as at the financial year end with maturity period ranging from 30 days to 365 days (2018: 30 days to 365 days).

Included in the deposits of the Group is an amount of RM7,742,591 (2018: RM8,626,192) pledged as security for banking facilities granted to subsidiaries as disclosed in Note 27.

20. CASH AND BANK BALANCES

	Group		Company	
	2019	**2018**	**2019**	**2018**
	RM	**RM**	**RM**	**RM**
Cash at banks and in hand	13,750,069	18,158,588	2,966,337	7,152,769

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

	Group	
	2019	**2018**
	RM	**RM**
United States Dollar	2,234	5,149
Renminbi	526,820	619,745
Singapore Dollar	66,754	65,313

21. SHARE CAPITAL

	Group/Company			
	Number of ordinary shares		← Amounts →	
	2019	**2018**	**2019**	**2018**
	units	**units**	**RM**	**RM**
Issued and fully paid up:				
At beginning of the financial year	54,197,066	49,277,066	32,301,203	29,245,803
Issued during the financial year	–	4,920,000	–	3,055,400
At end of the financial year	54,197,066	54,197,066	32,301,203	32,301,203

Effective from 31 January 2017, the new Companies Act 2016 ("the Act") abolished the concept of authorised share capital and par value of share capital.

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.

In the previous financial year, the Company issued 500,000 and 4,420,000 new ordinary shares at issue price of RM0.63 and RM0.62 per ordinary share respectively from 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	
		2019 RM	2018 RM	2019 RM	2018 RM
Fair value adjustment reserve	(a)	–	159,000	–	–
Fair value reserve of financial assets at FVOCI	(b)	159,000	–	–	–
Foreign exchange reserve	(c)	38,179	36,606	–	–
Retained earnings/ (Accumulated losses)		17,526,066	12,697,728	2,880,734	(1,271,912)
		17,723,245	12,893,334	2,880,734	(1,271,912)

(a) Fair value adjustment reserve

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

(b) 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.

(c) 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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

23. FINANCE LEASE PAYABLES

	Group	
	2019 **RM**	**2018** **RM**
Future minimum lease payments	398,538	447,377
Less: Future finance charges	(31,776)	(40,384)
Total present value of minimum lease payments	366,762	406,993
Current		
Payable within 1 year		
Future minimum lease payments	142,704	135,748
Less: Future finance charges	(15,897)	(18,049)
Present value of minimum lease payments	126,807	117,699
Non-current		
Payable after 1 year but not later than 5 years		
Future minimum lease payments	255,833	311,629
Less: Future finance charges	(15,878)	(22,335)
Present value of minimum lease payments	239,955	289,294
Total present value of minimum lease payments	366,762	406,993

The finance lease payables of the Group bear effective interest at rates ranging from 4.74% to 6.32% (2018: 4.69% to 6.69%) per annum.

24. TRADE PAYABLES

The normal trade credit term granted by the trade payables to the Group ranges from 30 days to 90 days (2018: 30 days to 90 days).

Included in trade payables of the Group is an amount owing to an associate of RM1,280,000 (2018: RM1,906,029) which is on normal trade credit term.

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

	Group	
	2019 **RM**	**2018** **RM**
United States Dollar	419,427	248,470
Renminbi	133,015	154,728
Singapore Dollar	–	90,624

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

25. OTHER PAYABLES, DEPOSITS AND ACCRUALS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Other payables	183,802	242,394	5,323	4,343
Deposits	11,100	16,100	–	–
GST payable	–	38,669	–	–
SST payable	19,349	–	110	–
Accruals	3,621,088	2,729,905	333,343	484,244
	3,835,339	3,027,068	338,776	488,587

26. PROVISIONS

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Provision for warranty costs				
At beginning of the financial year	436,280	43,354	–	–
Addition	497,329	407,833	–	–
Utilisation	(26,570)	–	–	–
Reversal	(344)	(15,089)	–	–
Acquisition of a subsidiary	–	182	–	–
At end of the financial year	906,695	436,280	–	–
Provision for employee benefits				
At beginning of the financial year	98,643	132,619	38,938	46,539
Addition	138,364	185,275	54,507	37,650
Utilisation	(132,119)	(213,690)	(49,200)	(45,251)
Acquisition of a subsidiary	–	3,675	–	–
Disposal of a subsidiary	–	(9,236)	–	–
At end of the financial year	104,888	98,643	44,245	38,938
	1,011,583	534,923	44,245	38,938

Provision for warranty costs is in respect of products sold under warranty by subsidiaries. Provision is recognised for expected warranty claims on products sold based on past experience 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 year end.

27. BANK BORROWINGS

	Group 2019 RM	Group 2018 RM
Current		
Secured		
Bank overdrafts	136,444	1,216,152

The bank overdrafts facilities are repayable on demand and within one year respectively, and bear interest at rates ranging from 4.30% to 9.15% (2018: 3.42% to 5.68%) per annum, secured and supported by the followings:

(a) cash deposits with licensed banks of certain subsidiaries; and
(b) corporate guarantees of the Company.

28. CASH AND CASH EQUIVALENTS

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

	Note	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Cash at banks and in hand	20	13,750,069	18,158,588	2,966,337	7,152,769
Cash deposits with licensed banks	19	8,922,315	8,626,192	–	–
		22,672,384	26,784,780	2,966,337	7,152,769
Bank overdrafts	27	(136,444)	(1,216,152)	–	–
		22,535,940	25,568,628	2,966,337	7,152,769
Cash deposits with licensed banks under lien	19	(7,742,591)	(8,626,192)	–	–
		14,793,349	16,942,436	2,966,337	7,152,769

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

29. REVENUE

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Revenue from contract customers:				
Sales of goods or services	53,971,914	39,835,341	–	–
Contract revenue	9,197,611	10,559,868	–	–
Management fees	–	152,880	1,152,000	1,357,300
	63,169,525	50,548,089	1,152,000	1,357,300
Revenue from other sources:				
Dividend income from subsidiaries	–	–	5,424,000	510,300
	63,169,525	50,548,089	6,576,000	1,867,600

(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).

Group	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Total RM
2019			
Major goods or services:			
Sale 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
Timing of revenue recognition:			
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

29. REVENUE (CONTINUED)

(a) Disaggregation of revenue (Continued)

	Others	Total
Company	**RM**	**RM**
2019		
Major goods or services:		
Management fee	1,152,000	1,152,000
Timing of revenue recognition:		
Over time	1,152,000	1,152,000

(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	
	2019	**2018**
	RM	**RM**
Cost of sales of goods or services	41,315,597	33,278,914
Cost of construction contract	6,998,980	8,775,939
	48,314,577	42,054,853

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	
	2019 RM	2018 RM	2019 RM	2018 RM
Amortisation of intangible assets	–	581,336	–	–
Auditors' remuneration:				
- statutory audit	137,505	133,059	70,000	58,000
- other services	6,000	6,000	6,000	6,000
Depreciation of property, plant and equipment	942,874	997,707	17,445	18,761
Distribution income from fixed income funds	(537,842)	(361,490)	(210,358)	(37,933)
Dividend income	–	–	(5,424,000)	(510,300)
Gain on disposal of property, plant and equipment	(23,800)	(118,038)	–	–
Gain on disposal of subsidiaries	–	(975,243)	–	(500,000)
Impairment loss on:				
- trade receivables	–	1,044,990	–	–
- other receivables	–	20,759	–	–
Impairment of goodwill on business combination	–	97,483	–	–
Interest expense:				
- finance lease payables	21,321	22,620	–	–
- bank overdrafts	31,437	35,776	–	–
- others	24,878	23,451	–	–
Interest income	(465,272)	(371,771)	(57,528)	(13,414)
Inventories written off	7,777	–	–	–
Inventories written down	15,356	93,594	–	–
Property, plant and equipment written off	947	–	–	–
Loss on disposal of a subsidiary	–	16,861	–	–
Loss on foreign exchange:				
- realised	34,080	48,860	–	–
- unrealised	15,159	28,424	–	–
Net provision/(reversal) for employee benefits	6,245	(28,415)	5,307	(7,601)
Personnel expenses (including key management personnel):				
- contribution to Employees Provident Fund and social security contribution	275,933	441,494	121,022	120,730
- salaries and others	5,580,714	4,274,946	1,827,025	1,204,221
Rental income	(56,400)	(91,950)	(78,000)	(54,000)
Rental of premises	336,900	399,718	102,000	135,900
Reversal of accruals	–	(43,349)	–	–
Net provision of warranty costs	496,985	392,744	–	–
Share of result of associate	(345,714)	(140,363)	–	–
Waiver of amount owing by subsidiaries	–	–	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 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Executive Directors				
- fees	–	12,000	–	12,000
- other emoluments	1,937,137	1,285,515	662,400	366,200
- contribution to Employees Provident Fund and social security contribution	126,235	121,097	43,793	43,913
- estimated monetary value of benefit-in-kind	46,450	58,861	31,150	26,161
	2,109,822	1,477,473	737,343	448,274
Non-executive Directors				
- fees	294,000	188,000	258,000	152,000
- other emoluments	9,200	8,400	9,200	8,400
- estimated monetary value of benefit-in-kind	17,400	–	–	–
	320,600	196,400	267,200	160,400
Total directors' remuneration	2,430,422	1,673,873	1,004,543	608,674

32. INCOME TAX EXPENSE

	Group 2019 RM	Group 2018 RM	Company 2019 RM	Company 2018 RM
Current tax expense:				
Malaysian income tax:				
- Current year	2,075,106	521,975	–	–
- Under/(Over) provision in prior financial year	17,092	(21,344)	–	–
	2,092,198	500,631	–	–
Real property gain tax:				
- (Over)/Under provision in prior financial year	(123,641)	150,105	–	–
	1,968,557	650,736	–	–
Deferred tax expense (Note 11):				
- Relating to (reversal)/ origination of temporary differences	(222,307)	41,969	–	–
- (Over)/Under provision in prior financial year	(278,003)	4,090	–	–
	(500,310)	46,059	–	–
Tax expense recognised in profit or loss	1,468,247	696,795	–	–

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2018: 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

32. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Profit before tax from continuing operations	6,296,585	1,434,963	4,152,646	331,277
Profit before tax from discontinued operation	–	284,481	–	–
Profit before tax	6,296,585	1,719,444	4,152,646	331,277
Tax at the Malaysian statutory income tax rate of 24% (2018: 24%)	1,511,180	412,667	996,635	79,506
Effect of different tax rate in foreign jurisdictions	(18,208)	(16,470)	–	–
Tax effect of non-taxable income	(202,730)	(350,031)	(1,366,053)	(12,323)
Tax effect of non-deductible expenses	223,423	356,240	23,205	54,867
Deferred tax assets not recognised during the financial year	367,792	204,658	346,213	–
Utilisation of deferred tax assets not previously recognised	(28,658)	(43,120)	–	(122,050)
Under/(Over) provision in prior financial year:				
- current tax expense	17,092	(21,344)	–	–
- deferred tax expense	(278,003)	4,090	–	–
- real property gain tax	(123,641)	150,105	–	–
Tax expense	1,468,247	696,795	–	–

33. DISCONTINUED OPERATION

As mentioned in Note 6(b) above, the Company had disposed of a subsidiary in the previous financial year and hence, discontinued its property development business.

(a) The results attributable to the discontinued operation were as follows:

	2018 RM
Revenue	377,988
Cost of sales	(370,308)
Gross profit	7,680
Other income	470,773
Administrative, selling and other operating expenses	(1,186,076)
Finance costs	–
Loss before tax from discontinued operation	(707,623)
Tax credit	–
	(707,623)
Gain on disposal of discontinued operation (Note 6(b))	992,104
Profit from discontinued operation, net of tax	284,481

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

33. DISCONTINUED OPERATION (CONTINUED)

(b) The following items had been charged/(credited) in arriving at loss before tax:

	2018 RM
Auditors' remuneration	8,000
Impairment loss on trade receivables	1,044,900
Interest income	(12,463)
Rental of premises	3,600

(c) Cash flows from discontinued operation were as follows:

	2018 RM
Operating activities	(185,968)
Investing activity	(1,324)
	(187,292)

34. 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:

	Group 2019 RM	Group 2018 RM
Profit for the financial year attributable to owners of the Company:		
- From continuing operations	4,828,338	772,983
- From discontinued operation	–	284,481
	4,828,338	1,057,464
Weighted average number of shares (unit)	54,197,066	49,566,820
Basic earnings per share (sen):		
- From continuing operations	8.91	1.56
- From discontinued operation	–	0.57
	8.91	2.13

(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.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

35. 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, associate and key management personnel.

(b) Related party transactions and balances

The transactions with subsidiaries are as follows:

	Company	
	2019 RM	**2018 RM**
Dividend received/receivable from subsidiaries	(5,424,000)	(510,300)
Management fees received/receivable from subsidiaries	(1,152,000)	(1,204,420)
Rental of premises paid/payable to a subsidiary	–	33,900
Rental of premises received/receivable from a subsidiary	(72,000)	(48,000)
Waiver of amount owing by subsidiaries	1,300	1,300

The transactions with associate are as follows:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Purchases from an associate	7,236,700	6,882,000	–	–
Sales to associate	(369,610)	(887,095)	–	–
Services acquired from an associate	55,000	146,892	–	–
Management fees received/ receivable from an associate	–	(152,880)	–	(152,880)
Rental of premises paid/ payable to an associate	17,000	18,000	–	–
Rental of premises received/ receivable from an associate	(42,000)	(42,000)	–	–
Transfer of research and development	–	577,777	–	–

Information regarding outstanding balances arising from related party transactions are disclosed in Notes 13, 17, 18 and 24.

35. RELATED PARTY DISCLOSURES (CONTINUED)

(c) Compensation of key management personnel

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

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

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Fee	294,000	48,000	258,000	12,000
Short term employee benefits	2,402,247	1,561,375	947,315	491,961
Post-employment benefits	165,670	160,326	59,626	56,901
Estimated monetary value of benefit-in-kind	72,650	67,661	31,150	26,161
	2,934,567	1,837,362	1,296,091	587,023

36. CORPORATE GUARANTEES

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Secured				
In respect of corporate guarantees given by the Company to financial institutions for banking and credit facilities granted to:				
- Associate	–	776,090	–	776,090
- Subsidiary	–	–	136,443	1,215,987
	–	776,090	136,443	1,992,077

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

37. SEGMENT INFORMATION

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

Information and Communication Technology	Inclusive of Telematics and navigation products and services, telecommunication 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 and provision of management services and property investment, neither which are of a sufficient size to be reported separately.

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

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represent profit or loss before 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 (including goodwill) of the segment.

Segment liabilities

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

37. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	Others RM	Eliminations RM	Consolidated RM
2019						
Segment Revenue						
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
Segment Results						
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)	452,452	(151,673)	(369,655)	–	(68,876)
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)
Segment Assets						
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
Segment Liabilities						
Total segment liabilities		11,278,824	3,732,278	462,794	–	15,473,896

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

37. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment (Continued)

Group	Note	Information and Communication Technology RM	Telecommunications, Infrastructure and Services RM	(Note 33) Discontinued Operation RM	Others RM	Eliminations RM	Consolidated RM
2018							
Segment Revenue							
External revenue		39,461,760	10,933,449	377,988	152,880	–	50,926,077
Inter-segment revenue	(i)	1,518,275	–	–	1,714,720	(3,232,995)	–
Total revenue		40,980,035	10,933,449	377,988	1,867,600	(3,232,995)	50,926,077
Segment Results							
Interest income		160,575	78,957	12,463	119,776	–	371,771
Interest expense		(59,351)	(22,496)	–	–	–	(81,847)
Depreciation of property, plant and equipment		(759,434)	(219,485)	–	(18,788)	–	(997,707)
Amortisation of intangible assets		(581,336)	–	–	–	–	(581,336)
Share of results of associate		208,163	(67,800)	–	–	–	140,363
Other non-cash items	(ii)	301,104	(124,693)	1,044,900	(242,427)	–	978,884
Segment profit/(loss) before tax		1,152,667	864,280	284,481	(581,984)	–	1,719,444
Tax expenses		(348,204)	(198,486)	–	(150,105)	–	(696,795)
Segment Assets							
Additions to non-current assets	(iii)	1,450,572	12,329	–	15,521	–	1,478,422
Total segment assets		24,828,126	10,909,645	–	25,794,315	–	61,532,086
Segment Liabilities							
Total segment liabilities		12,662,460	3,116,631	–	558,458	–	16,337,549

37. SEGMENT INFORMATION (CONTINUED)

(a) Operating segment (Continued)

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

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

	Group	
	2019	**2018**
	RM	**RM**
Distribution income from fixed income funds	(537,842)	(361,490)
Gain on disposal of property, plant and equipment	(23,800)	(118,038)
Property, plant and equipment written off	947	–
Loss on foreign exchange - unrealised	15,159	28,424
Impairment loss on:		
- trade receivables	–	1,044,900
- other receivables	–	20,759
Net provision/(reversal) for employee benefits	6,245	(28,415)
Utilisation of warranty costs	(26,570)	–
Net provision of warranty costs	496,985	392,744
	(68,876)	978,884

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

	Group	
	2019	**2018**
	RM	**RM**
Property, plant and equipment	472,786	1,478,422
Investment property	1,485,000	–
	1,957,786	1,478,422

(b) Geographical segment

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

(c) Information about major customers

Revenue from 3 (2018: 3) major customers of the Group amounted to RM45,705,499 (2018: RM31,044,931).

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

38. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned:

From 1 December 2018:
(i) Amortised cost ("AC")
(ii) Fair value through profit or loss ("FVPL")
(iii) Fair value through other comprehensive income ("FVOCI")

On or before 30 November 2018:
(i) Loan and receivables ("L&R")
(ii) Available-for-sale ("AFS")
(iii) Fair value through profit or loss ("FVPL")
(iv) Other financial liabilities ("FL")

	Carrying amount RM	FVOCI RM	FVPL RM	AC RM
Group				
2019				
Financial assets				
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

	Carrying amount RM	AC RM
Financial liabilities		
Trade payables	8,902,826	8,902,826
Other payables, deposits and accruals ^	3,815,990	3,815,990
Bank borrowings	136,444	136,444
Finance lease payables	366,762	366,762
	13,222,022	13,222,022

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned (Continued):

	Carrying amount RM	AFS RM	FVPL RM	L&R RM
Group				
2018				
Financial assets				
Fixed income funds	4,075,897	–	4,075,897	–
Transferable club membership	250,000	250,000	–	–
Trade receivables #	7,221,880	–	–	7,221,880
Other receivables and deposits *	8,576,766	–	–	8,576,766
Amount owing by an associate	1,306,271	–	–	1,306,271
Cash deposits with licensed banks	8,626,192	–	–	8,626,192
Cash and bank balances	18,158,588	–	–	18,158,588
	48,215,594	250,000	4,075,897	43,889,697

	Carrying amount RM	FL RM
Group		
2018		
Financial liabilities		
Trade payables	10,864,869	10,864,869
Other payables, deposits and accruals ^	2,988,399	2,988,399
Amount owing to an associate	6,000	6,000
Bank borrowings	1,216,152	1,216,152
Finance lease payables	406,993	406,993
	15,482,413	15,482,413

	Carrying amount RM	FVPL RM	AC RM
Company			
2019			
Financial assets			
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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Categories of financial instruments (Continued)

The following table analyses the financial instruments in the statement of financial position by the classes of financial instruments to which they are assigned (Continued):

	Carrying amount RM	AC RM
Company		
2019		
Financial liabilities		
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

	Carrying amount RM	FVPL RM	AC RM
Company			
2018			
Financial assets			
Fixed income funds	553,852	553,852	–
Other receivables and deposits *	8,258,510	–	8,258,510
Amount owing by subsidiaries	3,287,168	–	3,287,168
Amount owing by an associate	3,846	–	3,846
Cash and bank balances	7,152,769	–	7,152,769
	19,256,145	553,852	18,702,293

	Carrying amount RM	FL RM
Financial liabilities		
Other payables, deposits and accruals	488,587	488,587
Amount owing to a subsidiary	5,755,520	5,755,520
	6,244,107	6,244,107

* *Exclude GST refundable, deposits paid for acquisition of properties and prepayments.*
^ *Exclude GST and SST payable.*
# *Exclude amount due from contract customers.*

38. 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.

<u>Credit risk concentration profile</u>

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 (2018: 2) customers representing 61% (2018: 36%) of the total receivables.

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]

38. 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 as at 30 November 2019 are as follow:

Group	Gross Carrying Amount RM	ECL Allowance RM	Net Balance RM
Trade receivables			
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
Contract assets			
Current (Not past due)	1,320,815	–	1,320,815
	9,464,839	(10,000)	9,454,839

The significant changes in gross carrying amount of trade receivables and contract assets do not contribute to changes in impairment losses during the financial year.

38. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(i) Credit risk (Continued)

Trade receivables and contract assets (Continued)

Credit risk concentration profile (Continued)

Comparative information under MFRS 139 *Financial Instruments: Recognition and Measurement*

Ageing analysis of trade receivables

The Group maintains an ageing analysis in respect of trade receivables only. The ageing analysis of the Group's trade receivables (excluded amount due from associates and amount due from contract customers) are as follows:

	2018 RM
Group	
Neither past due nor impaired	5,539,761
1 to 30 days past due not impaired	766,396
31 to 60 days past due not impaired	398,384
61 to 90 days past due not impaired	181,700
More than 91 days past due not impaired	234,590
	1,581,070
Impaired	368,289
	7,489,120

Receivables that are neither past due nor impaired

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

NOTES TO THE FINANCIAL STATEMENTS

[CONTINUED]

38. 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) 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 RM Nil (2018: RM776,090) and RM136,443 (2018: RM1,992,077) 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.

38. 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.

<u>Analysis of financial instruments by remaining contractual maturities</u>

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.

2019	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	1 to 5 years RM
Group				
Financial liabilities				
Trade payables	8,902,826	8,902,826	8,902,826	–
Other payables, deposits and accruals ^	3,815,990	3,815,990	3,815,990	–
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
Company				
Financial liabilities				
Other payables and accruals	338,666	338,666	338,666	–
Financial guarantee*	–	136,443	136,443	–
	338,666	475,109	475,109	–

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

38. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(ii) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

2018	Carrying amount RM	Total contractual cash flows RM	On demand or within 1 year RM	2 to 5 years RM
Group				
Financial liabilities				
Trade payables	10,864,869	10,864,869	10,864,869	–
Other payables, deposits and accruals ^	2,988,399	2,988,399	2,988,399	–
Finance lease payables	406,993	447,377	162,619	390,076
Bank overdrafts	1,216,152	1,216,152	1,216,152	–
Financial guarantee*	–	776,090	776,090	–
	15,476,413	16,292,887	16,008,129	390,076
Company				
Financial liabilities				
Other payables and accruals	488,587	488,587	488,587	–
Financial guarantee*	–	1,992,077	1,992,077	–
	488,587	2,480,664	2,480,664	–

^ *Exclude GST and SST payable.*

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

38. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(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 RM136,444 (2018: RM1,216,152) expose the Group to cash flow interest rate risk whilst finance lease payables at fixed rate amounting to RM366,762 (2018: RM406,993) 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.

<u>Sensitivity analysis for interest rate risk</u>

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 RM595,808 (2018: RM690,207).

<u>Sensitivity analysis for foreign currency risk</u>

The directors believe that the impact of foreign currency fluctuation will not significantly affect the profitability of the Group. As such, sensitivity analysis is not presented.

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

38. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management (Continued)

(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 fixed income fund. These instruments are classified as held for trading. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the reporting date, if the price of the fixed income fund had been 1% higher/lower, with all other variables held constant, the Group's and the Company's net profit would increase/ decrease by RM211,954 and RM92,642 (2018: RM40,759 and RM5,539) as a result of increase/ decrease in the fair value of financial instruments classified as held for trading.

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

Borrowings

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

38. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair values measurement (Continued)

(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:

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

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

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

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

	Carrying amount	Fair value of financial instruments carried at fair value			
		Fair value			
	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
2019					
Financial assets					
Financial assets at fair value through profit or loss					
- Fixed income funds	21,195,407	21,195,407	–	–	21,195,407
Financial assets at fair value through other comprehensive income					
- Transferable club membership	250,000	–	250,000	–	250,000

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

38. 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 — Fair value — Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
2018					
Financial assets					
Financial assets at fair value through profit or loss					
- Fixed income funds	4,075,897	4,075,897	–	–	4,075,897
Available-for-sale financial assets					
- Transferable club membership	250,000	–	250,000	–	250,000
Company					
2019					
Financial assets					
Financial assets at fair value through profit or loss					
- Fixed income funds	9,264,209	9,264,209	–	–	9,264,209
2018					
Financial assets					
Financial assets at fair value through profit or loss					
- Fixed income funds	553,852	553,852	–	–	553,852

During the financial year ended 30 November 2018 and 2019, there have been no transfers between Level 1 and Level 2.

39. CAPITAL COMMITMENTS

The Group and the Company have made commitments for the following:

	Group		Company	
	2019 RM	**2018 RM**	**2019 RM**	**2018 RM**
Approved and contracted for:				
Acquisition of investment properties	2,277,000	–	–	–
Acquisition of property, plant and equipment	16,992,000	–	16,992,000	–
	19,269,000	–	16,992,000	–

40. 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 2019 and 30 November 2018.

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 2019 and 30 November 2018, which is within the Group's objectives of capital management are as follows:

	Group	
	2019 RM	**2018 RM**
Total interest-bearing borrowings	503,206	1,623,145
Less: Cash and cash equivalents	(22,672,384)	(26,784,780)
Total net cash	(22,169,178)	(25,161,635)
Total equity	50,024,448	45,194,537
Debt to equity ratio (%)	*	*

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

NOTES TO THE FINANCIAL STATEMENTS
[CONTINUED]

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 14 August 2019, the Company via its wholly-owned subsidiary, namely Metrarama Sdn. Bhd. ("MTSB"), entered into sale and purchase agreements for the acquisition of three units of three-storey terrace houses located in Teluk Kumbar, Penang, as its investment properties, for a total purchase consideration of RM2,700,000. These properties are under construction and the Group has paid up to 55% of the total consideration, amounting to RM1,485,000 as at 30 November 2019. The balance of the total consideration will be paid upon receiving the relevant progress billings.

(b) On 28 November 2019, the Company via MTSB, entered into a sale and purchase agreement for the acquisition of one unit of three-storey semi-detached house located in Laman Sutera, Subang Jaya, Selangor Darul Ehsan for a total purchase consideration of RM1,180,000. As at the date of authorisation of these financial statements, the acquisition is pending the approval of the relevant authority.

(c) On 30 October 2019, the Company entered into a Sale and Purchase Agreement with Region Asset Sdn. Bhd. for the purpose of acquiring a parcel of freehold industrial land together with a four-storey office/factory building located in Bandar Glenmarie, Selangor Darul Ehsan for a total consideration of RM18,880,000. The acquisition was approved by the Company's shareholders during the extraordinary general meeting held on 5 February 2020.

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

(a) On 11 December 2019, Amtel Resources Sdn Bhd ("ARSB") a wholly-owned subsidiary of the Company, disposed of 68% equity shares in WAMM Bersekutu Sdn. Bhd. ("WAMM") *(formerly known as Amtel Networks Sdn. Bhd.)*. As a result, ARSB's equity interest in WAMM has been reduced from 100% to 32%.

(b) On 16 December 2019, Amtel Networks Sdn. Bhd. changed its company name to WAMM Bersekutu Sdn. Bhd.

(c) On 13 January 2020, Amtel Cellular Sdn. Bhd. ("AMCSB"), a wholly-owned subsidiary of the Company has incorporated a subsidiary namely Amtel Intelligence Sdn. Bhd. ("AISB") with the subscription of 2 units of ordinary shares representing 100% equity interest in AISB for a cash consideration of RM2.

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 152, are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 November 2019 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: 13 March 2020

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 152 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 13 March 2020.

Before me,

NG SAY JIN (B-195)
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

to the members of Amtel Holdings Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Amtel Holdings Berhad, which comprise the statements of financial position as at 30 November 2019 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 152.

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 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Group</u>

Contract revenue recognition (Notes 4(i) and 29 to the financial statements)

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 project manager 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.

<u>Company</u>

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.

INDEPENDENT AUDITORS' REPORT

to the members of Amtel Holdings Berhad (Incorporated in Malaysia)

[CONTINUED]

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.

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.

INDEPENDENT AUDITORS' REPORT

to the members of Amtel Holdings Berhad (Incorporated in Malaysia)

[CONTINUED]

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

- 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.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

to the members of Amtel Holdings Berhad (Incorporated in Malaysia)

[CONTINUED]

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: 13 March 2020

LIST OF PROPERTIES

as at 30 November 2019

Location	Description and Existing Use	Tenure	Lease Expiry Date	Land Area/ Built-up Area (sq. feet)	Date of Acquisition/ Completion	Approximate Age of Building (Years)	Net Book Value RM
Lot No. TH A85-1 Mukim Kajang Daerah Hulu Langat Selangor Darul Ehsan	3 Storey Town House Corner Lot (Ground Floor) For rental	Leasehold	Year 2101	1,078	31.3.2002	17	121,951
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	495,000
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	495,000
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	495,000

ANALYSIS OF SHAREHOLDINGS
as at 28 February 2020

Issued Share Capital : RM32,301,203 comprising 54,197,066 ordinary shares
Class of Shares : Ordinary shares
Voting Rights : 1 vote per ordinary share (on a poll)

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	Total Holdings	%
1 - 99	434	16,759	0.03
100 - 1,000	258	193,050	0.35
1,001 - 10,000	1,148	3,461,201	6.39
10,001 - 100,000	195	5,934,390	10.95
100,001 - less than 5% of issued shares	42	24,143,041	44.55
5% and above of issued shares	3	20,448,625	37.73
Total	2,080	54,197,066	100

SUBSTANTIAL SHAREHOLDERS
AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 28 FEBRUARY 2020

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Dato' Koid Hun Kian	8,286,088	15.29	3,993,137*	7.37
Gainfactor Sdn. Bhd.	8,169,400	15.07	–	–
Simfoni Kilat Sdn. Bhd.	3,993,137	7.37	–	–

Note:

* *Deemed interested by virtue of his interest in Simfoni Kilat Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.*

DIRECTORS' SHAREHOLDINGS
AS AT 28 FEBRUARY 2020

	Direct Interest		Deemed Interest	
Name	**No. of shares**	**%**	**No. of shares**	**%**
Dato' Koid Hun Kian	8,286,088	15.29	6,324,203*	11.67
Tan Woon Huei	219,000	0.40	–	–
YTM. Tunku Dato' Seri Kamel Bin Tunku Rijaludin	200,000	0.37	–	–
Siow Hock Lee	65,333	0.12	814,333**	1.50
Ir. Chew Yook Boo	–	–	–	–

Note:

* *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. 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.*

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2020

[CONTINUED]

TOP THIRTY LARGEST SECURITIES ACCOUNT HOLDERS
AS PER THE RECORD OF DEPOSITORS AS AT 28 FEBRUARY 2020

Name of Shareholders	No. of shares	%
1. Dato' Koid Hun Kian	8,286,088	15.29
2. Gainfactor Sdn. Bhd.	8,169,400	15.07
3. Simfoni Kilat Sdn. Bhd.	3,993,137	7.37
4. Omega Charm Sdn. Bhd.	2,424,500	4.47
5. Inspire Sense Sdn. Bhd.	2,400,000	4.43
6. Chuah Chew Huat	2,120,000	3.91
7. Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Sin Yong Lean)	1,689,300	3.12
8. Koid Siang Loong	1,559,733	2.88
9. Jurus Handal Sdn. Bhd.	1,413,100	2.61
10. Bai Yun Mountain Trading (M) Sdn. Bhd.	1,400,000	2.58
11. Affin Hwang Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Lee Chye Khern)	1,106,544	2.04
12. Chow Teng Ting	1,074,400	1.98
13. Ng Weng Keong	900,000	1.66
14. Chen Bee Yoke	781,000	1.44
15. Tan Seow Eng	771,333	1.42
16. Ee Yong Chew	742,333	1.37
17. Lim Tuan Guan	525,000	0.97
18. Poh Swee Chin	486,100	0.90
19. Tan Hong Cheng	315,000	0.58
20. Ong Khiam Cheang	300,000	0.55
21. UOB Kay Hian Nominees (Asing) Sdn. Bhd. (Exempt An for UOB Kay Hian Pte Ltd)	295,999	0.55
22. Goh Hock Leong	271,000	0.50
23. Kang Khoon Seng	262,900	0.49
24. Yong Mun Tong	255,000	0.47
25. Zeito Plastic Components Sdn. Bhd.	225,000	0.42
26. Tan Woon Huei	209,000	0.39
27. Maybank Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Leong Kam Seng)	207,800	0.38
28. Tunku Kamel Bin Tunku Rijaludin	200,000	0.37
29. RHB Capital Nominees (Tempatan) Sdn. Bhd. (Pledged Securities Account for Liew Lee Khoon)	170,700	0.31
30. Kang Khoon Heng	170,000	0.31
Total	**42,724,367**	**78.83**

AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]
(Incorporated in Malaysia)

PROXY FORM
23RD ANNUAL GENERAL MEETING
(Before completing this form, please refer to the notes)

CDS Account No.	
No. of Shares held	

I/We ....
NRIC/Passport/Company No. ....
of ....
[FULL ADDRESS]
being a member/members of AMTEL HOLDINGS BERHAD ("Company"), do hereby appoint ....
....(NRIC/Passport No. ....)
of ....
or failing him/her ....
of ....
or failing him/her, THE CHAIRMAN OF THE MEETING as my/our proxy to vote for me/us and on my/our behalf at the Twenty-Third Annual General Meeting ("23rd AGM") of the Company to be held at Conference Room, Level 3, Eastin Hotel Kuala Lumpur, 13 Jalan 16/11, 46350 Petaling Jaya, Selangor Darul Ehsan on Tuesday, 12 May 2020 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the space provided below on how you wish your votes to be cast. If you do not do so, the proxy/proxies will vote or abstain from voting at his/her discretion.)

No.	Resolutions	For	Against
1.	Approval on the payment of Directors' fees for the financial year ending 30 November 2020.		
2.	Approval on the payment of Directors' benefits and other claimable benefits incurred from 12 May 2020 until the conclusion of the Company's next Annual General Meeting.		
3.	Re-election of YTM. Tunku Dato Seri Kamel Bin Tunku Rijaludin as Director.		
4.	Re-election of Ir. Chew Yook Boo as Director.		
5.	Re-appointment of Messrs. Baker Tilly Monteiro Heng PLT as Auditors of the Company.		
6.	Retention of Mr. Siow Hock Lee as Independent Non-Executive Director.		
7.	Authority to Directors to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	Authority to Company to purchase its own shares up to 10% of the total issued shares		

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 2020

Notes:

1. *In respect of deposited securities, only members whose names appear in the Record of Depositors on 6 May 2020 shall be entitled to attend, speak and vote at this meeting.*
2. *A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead.*
3. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a corporation, under its common seal or under the hand of an officer or attorney of the corporation duly authorised in that behalf, and shall be deposited at the Registered Office of the Company at No. 7, Jalan PJS 7/19, Bandar Sunway, 47500 Subang Jaya, Selangor Darul Ehsan, not less than forty-eight (48) hours before the time appointed for holding this meeting or adjourned meeting.*
4. *A member shall be entitled to appoint more than one (1) proxy to attend and vote at the meeting and that appointment shall be invalid unless the proportion of holdings represented by each proxy is specified.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

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AFFIX
STAMP

Company Secretary
AMTEL HOLDINGS BERHAD
[Registration No. 199601037096 (409449-A)]
No. 7, Jalan PJS 7/19
Bandar Sunway
47500 Subang Jaya
Selangor Darul Ehsan

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ANNUAL REPORT 2019

Amtel Holdings Berhad
199601037096 (409449-A)

No.7, Jalan PJS 7/19, Bandar Sunway,
47500 Subang Jaya, Selangor Darul Ehsan, Malaysia

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